



Vehicle Loss Privilege Program

SELLING DEALER GUIDE

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Contact Us

Consumer and Dealer Website: www.securedrive.ca

Each selling dealer will have a unique login profile to the LGM HUB to gain access to dealer-only materials such as Sales Tools.

Claims & Dealer Support:

Phone: 1-866-287-6200

Fax: 1-866-287-6201

Email: claims@lgm.ca

Hours: For details about our call center opening hours, please visit our contact page at www.lgm.ca/contact

Sales & Customer Service:

Phone: 1-800-510-8372

Fax: 1-800-510-7605

Email: service@lgm.ca

Hours: For details about our call center opening hours, please visit our contact page at www.lgm.ca/contact

Accounts Receivable:

Email: ar@lgm.ca

What is Vehicle Loss Privilege Program?

SecureDrive Vehicle Loss Privilege Program (VLPP) provides assistance for your customer in the event of a vehicle loss. Whether your customer is purchasing through finance, lease or cash, there is a way to tailor a solution for them.

All VLPP privileges provide your customer with an in-store loyalty credit at the original selling dealership to ensure customer retention.

In the event of a total loss, Negative Equity, Total Loss, and Theft Event Privileges will assist your customer when replacing their vehicle. In the event of a damage declaration on your customer's vehicle, the Partial Loss Event Privilege can assist with the accelerated depreciation at the time of vehicle trade-in or for another purchase or lease.

VLPP is designed to be offered on your entire vehicle inventory to enhance the customer's vehicle ownership experience and increase your dealership's customer retention, thereby generating further revenue opportunities.

*** VLPP is not available in the provinces of BC and Quebec.**

Privilege Options

Negative Equity Privilege

If the customer's vehicle is stolen or damaged and declared a total loss, as of the date of the incident, they will be eligible to receive an in-store loyalty credit towards a replacement vehicle in an amount equal to the deficit between their insurer settlement payout and the remaining loan balance. The loyalty credit payout excludes any termination fees, late or deferred payment and charges, finance charges accrued after the Total Loss or Theft and refundable portions of any cancelable add-ons such as service contracts, credit life/disability insurance or maintenance agreements and rental expenses, all of which are the customer's responsibility.

Total Loss Event Privilege

If the customer's vehicle is stolen or damaged and declared a total loss, they will be eligible to receive an in-store loyalty credit towards a replacement vehicle purchase.

Theft Event Privilege

If the customer's vehicle is stolen and not recovered, they will be eligible to receive an in-store loyalty credit towards a replacement vehicle purchase.

Partial Loss Event Privilege

If the customer's vehicle is damaged and repaired, resulting in a damage record on their vehicle's history report (i.e CarProof), they will be eligible to receive an in-store loyalty credit at the time they purchase a replacement vehicle.

For further VLPP privilege details please refer to the **Schedule of Privileges** section of the Customer Agreement.

In-Store Loyalty Credit Options

In many instances, customers may choose an in-store loyalty credit value to suit their needs. The following options apply based on vehicle value.

Privilege	Vehicle Value	In-store Loyalty Credit
Negative Equity Privilege	Loan Value up to \$150,000	Deficit between the insurer payout and the remaining loan balance
Total Loss Event Privilege	Up to \$20,000	\$5,000
	\$20,001-\$40,000	\$5,000 or \$7,500
	\$40,001+	\$5,000, \$7,500 or \$10,000
Theft Event Privilege	Up to \$20,000	\$5,000
	\$20,001-\$40,000	\$5,000 or \$7,500
	\$40,001+	\$5,000, \$7,500 or \$10,000
Partial Loss Event Privilege	Up to \$20,000	\$2,500
	\$20,001-\$40,000	\$2,500, \$3,750
	\$40,001+	\$2,500, \$3,750 or \$5,000

*The loan amortization (months) must match the contract term (months).

Negative Equity Privilege Maximum Amounts

Purchase Price for Your Vehicle on the Enrollment Date	Maximum Negative Equity Privilege
\$1 – \$9,999	\$10,000
\$10,000 – \$24,999	\$25,000
\$25,000 – \$49,999	\$50,000
Greater than \$50,000	\$75,000

Exclusions

Some exclusions apply to VLPP, for a detailed list, please refer to the **Program Exclusions** of the Customer Agreement.

Transfers

VLPP Agreements are not transferable by the original purchaser to any subsequent owner of the vehicle.

Bundled Pricing

Discounted pricing is available when the Negative Equity Privilege is purchased in conjunction with the Partial or Total Loss Event Privileges. Simply select the desired products together when preparing a quote.

Program Eligibility – Enrolment and Terms

VLPP must be purchased within seven days of the delivery date of the vehicle. Terms are available for all makes and models within 10 model years.

Eligible customers include all customers residing in Canada, except BC and Quebec.

Eligibility – Vehicle Purchase Type and Third Party Coverage

Some privilege and in-store loyalty credit restrictions apply for cash and lease vehicles and vehicles equipped with some third-party products. The following third-party products may affect eligibility:

Third-Party GAP Products: If the customer has coverage to receive a benefit the same as, or substantially similar to the Negative Equity Privilege under the terms of their insurance policy, or another third-party program.

Third-Party Replacement Vehicle Product: The customer has coverage to receive a present day equivalent replacement vehicle in the event of a loss under the terms of their insurance policy or another third-party program.

The following table outlines any privilege and in-store loyalty credit restrictions:

#	Vehicle Purchase Type	Third Party GAP	Third Party Replacement	Privileges Available
1	Cash	No	No	Total Loss (all options), Partial Loss (all options) and Theft (all options)
2	Cash	Yes	No	INVALID SCENARIO as there cannot be a loan on a Cash vehicle purchase.
3	Cash	No	Yes	Total Loss (\$5,000 option only), Partial Loss (all options) and Theft (\$5,000 option only)
4	Cash	Yes	Yes	INVALID SCENARIO as there cannot be a loan on a Cash vehicle purchase.
5	Financed	No	No	Negative Equity, Total Loss (all options), Partial Loss (all options) and Theft (all options). <i>If Negative Equity is selected, Total Loss and Theft options are limited to \$5,000.</i>
6	Financed	Yes	No	Total Loss (\$5,000 option only), Partial Loss (all options) and Theft (\$5,000 option only)
7	Financed	No	Yes	Negative Equity, Total Loss (\$5,000 option only), Partial Loss (all options) and Theft (\$5,000 option only) <i>If Negative Equity is selected, only Partial Loss is available as an upgrade.</i>
8	Financed	Yes	Yes	All Partial Loss Event Privilege (all options)

#	Vehicle Purchase Type	Third Party GAP	Third Party Replacement	Privileges Available
9	Lease	No	No	INVALID SCENARIO as all Lease Agreements offer GAP protection
10	Lease	Yes	No	Total Loss all options), Partial Loss (all options) and Theft (all options)
11	Lease	No	Yes	INVALID SCENARIO as all Lease Agreements offer GAP protection
12	Lease	Yes	Yes	Total Loss (\$5,000 option only), Partial Loss (all options) and Theft (\$5,000 option only)

Invoice Payment

VLPP Agreements are sold exclusively via an online sales portal which can be accessed at www.lgmhub.ca. Your dealership is required, on the last day of the month, to report all valid business for invoicing to the Administrator via the LGM HUB or the Administrator will generate them on your dealership's behalf. The Administrator shall prescribe the method and form of invoicing.

Payment is required by your dealership to the Administrator no later than the tenth business day of the following month or as per Provincial Regulations. Invoices sent to your dealership about amendments & cancellations must be paid immediately upon receipt. Payment submitted later than this date may result in claim service delays to your customers.

Your dealership can make payment through the LGM HUB via electronic funds transfer, credit card submission or with a cheque made payable to LGM Financial Services Inc. and mailed to the Administrator. Any cheques not made payable to LGM Financial Services Inc. will be returned to your dealership.

When paying with a cheque, please ensure that you attach the following:

- Cheque made payable to LGM Financial Services Inc.; and
- Attach invoices generated by the online sales portal through the LGM HUB (including amendment & cancellation invoices).

Please remit to:

LGM Financial Services Inc.
#142 - 757 West Hastings Street
Vancouver, BC V6C 1A1

Or

LGM Financial Services Inc.
1111 Dr. Frederik-Philips Blvd., Suite 450
St. Laurent, QC H4M 2X6

When calculating remittances, please note the following taxation regulations:

- Dealers in BC, Alberta, Saskatchewan, and Manitoba are required to remit GST
- Dealers in Ontario and Atlantic Canada provinces are required to remit HST
- Dealers in Quebec are required to remit QST and GST

Note: In some cases, where agreement tax has been based on customer residence, tax to be remitted may differ from the above.

Indigenous Customers

Please note that tax regulations about sales of SecureDrive products to Indigenous customers with Native Status must be observed by your dealership. It is important that your dealership maintains records of such transactions, including the retention of copies of Native Status Cards, in the event a taxation audit requires this information to be produced.

Please note that your dealership is to retain a customer signed copy of each agreement sold. It is the responsibility of the dealer to promptly provide the Administrator a copy of the signed agreement upon request.

Cancellations

VLPP privileges may be canceled by the original agreement holder within the first 30 days from the enrollment date. The customer may not cancel their agreement after 30 days unless the dealer agrees to allow the cancellation and return its unearned portion of their dealer profit.

The Dealer will be required to contribute towards cancellation refunds in the event the Lienholder requests VLPP agreement cancellation due to vehicle repossession or total loss. When a cancellation request is received from a lienholder, it will stay in a pending status for 60 days as the customer or dealership can request to use a privilege during this time. After the 60th day, we will put the cancellation request into the process.

To initiate a cancellation request, the original agreement holder must make their request to their Selling Dealer in writing along with their signature. The Administrator requires the following details to process an agreement cancellation request:

- Dealer name;
- Odometer reading on vehicle at time of cancellation request;
- Date of cancellation request;
- Year and model name of vehicle;
- Agreement number;
- Vehicle Identification Number;
- Name of agreement holder; and
- Name of agreement person at the dealership.

A cancellation request form is available via an online sales portal which can be accessed at www.lgmhub.ca. The customer is required to obtain a cancellation request form from the Selling Dealer then forward the completed form to the Administrator.

For any cancellation requests initiated by the agreement holder within 30 days of the agreement purchase date, the agreement holder will be refunded the entire amount of the agreement purchase price, less any privileges authorized or credited (except where prohibited by law).

The Administrator may cancel the agreement for non-payment of the membership fee, for intentional misrepresentation in obtaining the agreement or for intentional misrepresentation in the submission of a request for privileges. If the agreement is canceled by the Administrator within 30 days from the enrollment date, the agreement holder will be entitled to a refund for the amount paid for the agreement less the amount of any privileges authorized or paid under the agreement.

If the Administrator cancels the agreement after 30 days from the enrollment date, a prorated amount of the agreement purchase price shall be refunded, less any privileges authorized or paid. The pro-rated refund will be calculated based on the expired portion of the agreement by time and based upon the term selected, and the date agreement begins, less a \$100 cancellation fee (plus applicable taxes) and less the amount of any privileges authorized or paid under the agreement (except where prohibited by law).

E-Contracting

VLPP Agreements are sold exclusively via a secure online sales portal which can be accessed at www.lgmhub.ca

To get started with e-contracting, please contact LGM at 1.800.510.8372, and they will provide you with access. E-contracting provides you with these valuable benefits:

- No need to complete pre-printed forms
- Easy to use and quick to complete
- Guaranteed accuracy of rates and privileges
- Track results electronically
- Complete monthly remittance automatically
- Professional documents for your customer
- Instant confirmation of purchase
- VIN decoding makes processing faster (auto-population)

Please note that your dealership is to retain a customer-signed copy of each agreement sold. It is the responsibility of the Dealer to promptly provide the Administrator a copy of the signed agreement upon request.

Preparing and Printing Quotes

The VLPP Program found on the Hub enables dealers to prepare quotes for eligible vehicles to their customers. This easy-to-use program also allows you to print out a quote for eligible new and pre-owned vehicles, complete with the dealership name and the Finance Manager's contact information.

Waiver Information

A waiver form is provided as a suggested selling tool in the business office.

The use of the waiver form is a suggestion only, and it is recommended that your dealership seeks independent legal advice before adopting any waiver form in your dealership.

It is recommended that the waiver form is used extensively or not at all in your dealership since dealers may face liability issues if the waiver form is only used by select customers rather than for all customers that decline any or all of the VLPP. When used appropriately, this waiver form will add further credibility to your sales presentation in the business office. This waiver reminds the customer they have been given the option to purchase VLPP and that they have chosen to decline coverage. When properly applied, this waiver form may alter the customer's buying decision. It will also serve as a valuable reference in your deal jacket in the event there is ever contestability about offering VLPP to your customers.

The waiver form is accessible via Sales Tools at lgmhub.ca. Upon completion of a customer quote, the selling Dealer has the option of printing a waiver form.

Making a Request for Privileges

If a theft, total loss or partial loss occurs under the VLPP Agreement, the customer must take the following steps to request access to available program privileges:

- (a) **File a report with the insurer:** The customer must file a report of the Theft, Total Loss or Partial Loss with their primary vehicle insurer, within the notice period required by their insurer.
- (b) **Contact the administrator:** The customer or dealer must report to the administrator the Theft or Total Loss of the vehicle within 60 days. For partial loss occurrences, the customer or dealer must report such to the administrator no later than 60 days following the expiration of the Agreement. The administrator must be provided a copy of the insurance claim against their primary insurer, and depending on the privilege being requested, may also be required to provide:
 - (i) Proof of ownership and the bill of sale for the replacement vehicle;
 - (ii) A copy of your settlement with the insurer showing all additions and deductions for the settlement amount;
 - (iii) A copy of the police report, if required by the insurer;
 - (iv) Proof of payment from the vehicle insurer confirming that it has settled and paid for the theft or total loss;
 - (v) A copy of the insurance policy's declaration page, listing the coverage, deductible and agent's phone number; and
 - (vi) Where the customer is seeking Negative Equity Privilege: The balance remaining on the vehicle loan after a payout from the vehicle insurer has been made, as calculated by the Lienholder as of the date of Total Loss.
 - (vii) A copy of our proof of loss document outlining how the loss occurred.

How the Selling Dealer Receives Payment

For any in-store loyalty credit for which the customer is entitled under the program, which has been pre-approved by the Administrator. The Selling Dealer will be required to provide the Administrator a copy of the new bill of sale, signed by the customer, showing the details of the replacement vehicle purchase and the privilege amount being applied towards the purchase of the replacement vehicle. Upon receipt of a satisfactory bill of sale, by fax or emailed PDF, the Administrator will pay the Selling Dealer the in-store loyalty credit amount that has been approved by the Administrator and applied to the purchase of a replacement vehicle from the Selling Dealer.

No Interest Deferred Payment Plan

VLPP is eligible for financing with the LGM No Interest Deferred Payment Plan (excluding Theft Event only plans). For complete program details, please refer to the "No Interest Deferred Payment Plan FAQ's and Highlight Sheet" available in the Sales Tools area of the LGM HUB.

Customer Agreement

A copy of the full Customer Agreement is found in the following section for reference only. For the purpose of administering claims, please refer to your customer's actual Agreement.

