



SELLING DEALER GUIDE

SecureDrive Anti-Theft

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INTRODUCTION & EFFECTIVE PERIOD

Thank you for choosing to add LGM Financial Services Inc. SecureDrive Anti-Theft Protection to your suite of automotive protection products.

All models are eligible for coverage and either product can be added to any vehicle sale. By offering programs to every business office customer, Tire & Rim Protection, Appearance Protection, and Anti-Theft Protection will quickly become a profit center in your dealership.

The following guide is designed to provide you with the information you need to easily promote, sell, and administer Anti-Theft Protection at your dealership. By reading this guide, you will attain a thorough understanding of eligibility, and claims processes. You will also know who to contact for more information should you need it.

ADMINISTRATIVE AND SALES SUPPORT PARTNERS

As a proven leader in dealer development and improving business office profitability, LGM Financial Services Inc. (LGM) has been designated the official distributor and sales support provider for the SecureDrive Anti-Theft Protection product. Their team of locally-based Dealer Development Managers are available to train your Business Managers on how to maximize SecureDrive Anti-Theft Protection sales results. With LGM's regular sales coaching, classroom training, and product certification combined with a Canadian-based, bilingual customer service team, your dealership will have everything it needs to be successful.

LGM Offers:

- Over 10 years of experience in Dealer development and improving business office profitability.
- A track record of success at training Business Managers on product knowledge and sales techniques.
- Industry leading sales incentive programs to reward elite performance.
- Sales support and coaching provided by a national team of locally-based Dealer Development Managers.
- Dedicated Customer Service team based in regional offices across the country to offer custom Dealer support.

LGM Financial Services Inc. is the program administrator and claims management. As a selling Dealer of Mechanical Breakdown Protection, and Anti-Theft Protection, you will receive exceptional service from a team that is knowledgeable, professional and friendly. LGM has a track record of success at administering service contract products with more than 15 years within the Canadian service contract industry. We welcome your continued feedback on how the product or service experience can be improved.

CONTACT INFORMATION

Contact Us

LGM Financial Service Inc.

2010 Winston Park Drive, Suite 300
Oakville, ON L6H 5R7

Dealer Inquiries: **1-800-510-8372**

Consumer and Dealer Website: www.lgm.ca

Each Selling Dealer will have a unique login to gain access to Dealer only material.

Claims:

Phone: 1-866-287-6200

Email: claims@lgm.ca

Hours: Please visit our contact page at lgm.ca/contact

Sales and Customer Service:

Phone: 1-800-510-8372

Email: service@lgm.ca

Hours: Please visit our contact page at lgm.ca/contact

Accounts Receivable:

Email: ar@lgm.ca

Vancouver Office

#142 - 757 West Hastings Street
Vancouver, BC V6C 1A1

Montreal Office

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

ANTI-THEFT PROTECTION

SecureDrive Anti-Theft Protection is a vehicle etch program designed to deter potential thieves from stealing a protected vehicle. Additionally, in the event a protected vehicle is stolen, the customer is provided certain benefits under the Anti-Theft Protection Agreement/Policy.

Anti-Theft Protection deters potential thieves by marking various body panels with an identification number that improves the traceability of the vehicle. The etching system is coupled with window decals designed to convince potential thieves to leave the vehicle alone.

Province of British Columbia Dealer Licensing Requirements

All Dealers and its sales representatives in the province of British Columbia are required to obtain licensing from the Insurance Council of British Columbia prior to engaging in any sales activity relating to the SecureDrive Anti-Theft program. LGM will be happy to assist your dealership with completing your licensing requirements. Please contact LGM at:

Telephone toll free: 1-800-510-8372

Facsimile toll free: 1-800-510-7605

Email: customer.service@lgm.ca

Vehicle Preparation

Preparation of the vehicle for the sale of SecureDrive Anti-Theft Protection requires your dealership to apply the window warning stickers on the front driver and passenger side windows plus 6 panel etch decals to specified body panels of the vehicle. Anti-Theft Protection combines a clearly visible warning label with a permanent, pre- registered number embedded on body panels throughout the vehicle to make it a less attractive target for thieves. The pre-registered number adds the vehicle to a national database to improve its traceability.

The panel marking system utilizes a set of 6 decals which are affixed to various hidden locations on the vehicle such as the hood, trunk, doors, etc. These self-adhesive decals are to remain permanently on the body panels and are difficult to remove. It is recommended that 6 decals be applied to each vehicle in the following location:

- both front door jams;
- underside of trunk lid;
- radiator support; and
- front inner fenders.

Once a decal has been in place for approximately 48 hours, the specific tracking number will become imbedded on the painted surface of the panel. Even if the decal is removed, the tracking number will remain on the panel, which can only be detected by using an ultraviolet light. Two warning stickers must then be affixed to the driver and front passenger windows to complete the identification process.

In the event a vehicle is stolen and recovered with damage or stolen goods, a full refund of the Anti-Theft Protection purchase price will be given to the customer. If the vehicle is stolen and unrecovered or recovered but as a total loss, Anti-Theft Protection will provide a Selling Dealer discount of up to \$5,000 to the customer. Some conditions & benefit limits apply. See Agreement/Policy for details.

Anti-Theft Protection is available for all makes and models. A dealer may offer Anti-Theft Protection on off-make vehicles under the same eligibility requirements.

Coverage Options

Recovered Vehicles: In the event the vehicle is stolen and recovered with damage or missing articles, a full refund of the Anti-Theft Protection purchase price will be provided to the customer. For recovered vehicles, the full refund will be paid to the customer directly upon supplying all documents deemed necessary by the Administrator, including a proof of loss statement filed with the Agreement/Policy holder's insurance provider.

Unrecovered Vehicles: In the event the vehicle is stolen and not recovered within thirty (30) days from the date of theft, or the vehicle has been recovered within thirty (30) days but declared a total loss by the primary insurance provider, the contract holder may be eligible (subject to contract terms and conditions) to receive a discount issued by the selling dealer in the amount of the lesser of:

- a) 50% of the amount paid for the covered vehicle; or
- b) \$5,000

Your dealership is required to offer the discount to an eligible customer (after the Administrator has approved the claim). The discount given by your dealership will be reimbursed by the Administrator in the form of an approval number which is issued by the Claims Department.

An Agreement/Policy holder shall be entitled to apply an Administrator approved Selling Dealer discount toward the purchase of any new or pre-owned vehicle within the Selling Dealer's inventory and the dealer shall be obliged to provide such discount against the most recent published retail selling price for that vehicle. The Selling Dealer is not required to provide any reduction in the most recent published retail selling price of any selected vehicle by an eligible Agreement/Policy holder other than the eligible and approved discount granted by the Administrator.

In the event that an Agreement/Policy holder does not wish to utilize the eligible Selling Dealer discount towards the purchase of any new or pre-owned vehicle within the Selling Dealer's inventory, the eligible discount shall be forfeited. The Selling Dealer shall have no claim or benefit towards approved and unclaimed anti-theft benefits. A customer may not apply a Selling Dealer discount received towards any other vehicle inventory that may exist through dealer groups, affiliate stores, etc.

The dealership's liability to a customer for any eligible discounts is indemnified by a contractual liability insurance policy issued to LGM Financial Services Inc. Any eligible claims that are approved by the Administrator will be indemnified by LGM Financial Services Inc.

All benefit amounts shall be inclusive of taxes.

Dealer Inventory Coverage

Your dealership has the option of protecting your vehicle inventory against theft. This benefit is provided to every Selling Dealer provided the following “pre-theft” requirements are met:

1. Once Anti-Theft Protection warning decals and panel marking decals are applied to a vehicle, the dealer is required to register the vehicle with the Administrator within 48 hours of product application by using the Anti-Theft Protection lot protection registration form (or the online registration option); and
2. The dealer remits the appropriate amount for each retail Agreement/Policy sale.

Dealer Benefits

Vehicles which are stolen from the dealer's inventory after being identified with Anti-Theft Protection warning stickers and panel marking decals may qualify for a theft benefit. The benefit amount available is based upon the lesser of five thousand dollars (\$5,000) or the amount of the dealer's insurance provider's deductible applicable for the vehicle theft claim.

The lot insurance deductible benefit is available if all of the following “post-theft” criteria are met:

- A police report must be filed within 3 days of the vehicle theft;
- The dealer must notify the Administrator of the theft within 30 days of occurrence;
- The dealer has a current lot insurance policy in place with a Canadian chartered insurance company;
- The vehicle is stolen from the lot of an issuing Anti-Theft Protection dealer that has achieved at least 50% Anti-Theft Protection sales penetration against retail vehicle sales for the 2 months preceding the month in which the vehicle was stolen; and
- The stolen vehicle is not recovered within 30 days from the date of theft, or the stolen vehicle is recovered but declared a total loss by the dealer's lot insurance provider.

Exclusions

As stated in the consumer agreement/policy, Anti-Theft Protection does not provide coverage for the following:

- A. Any loss or damage caused by misuse, abuse, negligence (which shall be deemed to include, without limitation, leaving Your Vehicle unlocked or with the keys in the Vehicle while unattended by You), or giving temporary custody to any person who subsequently steals Your Vehicle (including, without limitation, service repairmen, valet drivers, etc.), or for any loss or damage when Your Vehicle is stolen directly or indirectly by anyone who has a familial relationship with You and/or is not at arm's length with You.
- B. Any loss or damage to any modifications made to Your Vehicle from the original configuration as built by the manufacturer of Your Vehicle.
- C. Any claim for the in-store discount or the refund, as the case may be, when the theft occurrence is not reported to the Police, Your insurer and the Administrator as required within Section 15 (Filing a Claim) of this Agreement, or if the information provided by You cannot be verified as accurate.
- D. Any claim if You have removed or otherwise tampered with the permanent identification number that has been affixed to certain body panels of Your Vehicle or the security stickers that have been affixed to the driver and passenger side windows of Your Vehicle.
- E. Any loss or damage caused by collision, fire, vandalism (unless such vandalism occurred during the period that Your Vehicle was stolen and subsequently recovered, in which case You will be entitled only to the refund relating to recovered vehicles as expressly stated in Section 4.2 hereof), riot, explosion, lightening, earthquake, freezing, rust or corrosion, windstorm, hail, water or floods, salt or environmental damage.
- F. Any loss or damage if Your Vehicle is used for any of the following purposes: fleet, rental, law enforcement, rescue or emergency use, road repair operations, hauling, driving school, route work, taxi, limousine, shuttle or public hire, tourist guide, job site activity, courier or delivery, snow removal or construction; or if Your Vehicle is used primarily off road.
- G. Any claim if the date on which you purchased or leased Your Vehicle from Us differs from the Agreement Purchase Date by more than thirty (30) days.
- H. If Your Vehicle is not insured by an insurance company duly licensed to conduct business in Canada at the time of the event giving rise to Your claim under this Agreement or if You are not a Canadian resident or Your Vehicle is located outside of Canada more than one hundred eighty (180) days a year or Your Vehicle is principally operated outside of Canada.

Vehicle Eligibility

Anti-Theft Protection coverage is available (without age restriction) to all models.

Full Disclosure

It is very important that each customer is professionally presented Anti-Theft Protection and given the choice of purchasing or declining coverage. The Administrator will not condone "assumed sale" behavior for Anti-Theft Protection and requires that a full disclosure of the product features and benefits be presented at each time of vehicle delivery.

SELLING ANTI-THEFT PROTECTION

E-Contracting

Anti-Theft Protection is easy to quote and sell using an online sales process. Fully integrated into the HUB, this online digital quoting and e-contracting tool eliminates the need for complicated vehicle reference guides and handwritten contracts. The system's intuitive user interface and easy-to-use drop down menus will ensure products are sold quickly and accurately. Once a contract is purchased, the Dealer can access the sales portal at <https://lgmhub.ca> to manage their business activities including look up functionality, amendment requests, reprints of contracts, etc.

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 coverage;
- Track results electronically;
- Complete monthly remittance automatically;
- Professional documents for your customer;
- Instant confirmation of coverage; and
- VIN decoding makes processing faster (auto-population).

Confirmation of Coverage

The HUB automatically confirms coverage to the customer by sending a welcome letter, with its integrated wallet card, along with the complete contract/policy terms and conditions 48 hours after being purchased. It is important that the customer's email address is entered correctly into the HUB during the sales process to ensure the customer receives this documentation. In the event the customer does not have an email address, a welcome letter, with its integrated wallet card, along with the complete contract/policy terms must be printed and presented to the customer at time of purchase.

Sales Tools and Support

The online sales portal (connects you with a library of Anti-Theft Protection sales tools. These tools will help your dealership effectively and efficiently package programs with every vehicle sale. For more information about Anti-Theft Protection sales tools, please contact LGM Customer Service at 1-800-510-8372.

Waiver Form

The Anti-Theft Protection waiver form is provided as a suggested selling tool in the business office. It is provided as a guideline only and your dealership should seek its own independent legal counsel before choosing to adopt a waiver as a business practice.

It is recommended that the Anti-Theft Protection waiver form be used universally or not at all in your dealership. When used appropriately, this waiver form will add further credibility during your sales presentation and 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 Anti-Theft Protection to your customers. Upon completion of a customer quote, the Dealer has the option of printing a waiver form.

CLAIMS

Initiating A Claim – Customer Process

The Administrator (LGM) will direct a contract holder to return to the Dealer that sold them their contract for service whenever possible to do so. This important step assures the Administrator of quality repairs and also improves customer retention for participating Dealers. In the event a customer is no longer located conveniently located near their selling Dealer, the customer will be directed to their nearest Dealer within Canada or the United States.

The following is the customer's steps to filing a claim as stated in the Anti-Theft Protection contract.

If Your Vehicle is stolen during the term of this Agreement, You must take each of the following steps to qualify for the in-store discount or refund:

1. **File a Police Report** – You must file a report with the local police department at the location of theft within three (3) days of the date of theft.
2. **File Theft Report with Your Insurance provider** – You must file a loss report with Your automobile insurance provider for the theft of Your Vehicle within three (3) days of the date of theft.
3. **Contact the Administrator** – You must report the theft of Your Vehicle to the Administrator within thirty (30) days of the date of theft and provide the Administrator with a copy of Your police report and insurance claim. If Your Vehicle is recovered within thirty (30) days from date of theft, and You wish to claim for a refund from Us of the amount that You paid for the SecureDrive Anti-Theft Product as shown on the Registration Page, then You must file Your claim with the Administrator within sixty (60) days from the date of theft. If Your Vehicle is unrecoverable within thirty (30) days from the date of theft or recovered but declared a total loss by Your automobile insurance provider, then You must file Your claim for the in-store discount within sixty (60) days from the date of theft. Failure to report Your theft to the Administrator within thirty (30) days of the date of theft and submit to the Administrator all documentation for Your claim within sixty (60) days from the date of theft, will result in denial of Your claim.

For claims assistance please contact the Administrator toll-free at 1-866-287-6200.

Claim Inspection Process

Under certain circumstances, claims inspections may be required. The following scenarios are most likely to result in a claims inspection:

- Filing a claim within the first thirty (30) days of a contract;
- Filing a claim within the last thirty (30) days of a contract;
- Claims involving multiple components; and/or
- Claims submitted from Dealers that have a high loss ratio when compared to their peers.

In cases where an inspection is deemed necessary, the Administrator will send an independent Inspector to visit the dealership within 24 hours of submission of a claim. Following the inspection, the Inspector will report back to the Claims Adjuster associated with the claim and the dealership will be contacted with the claim determination. In the event inspection cannot take place within 24 hours of claim submission, additional Rental Vehicle benefit may be provided.

The Administrator reserves the right to inspect any and all claims but shall exercise reasonable care and frequency based upon its usual business practices.

PAYMENTS, TRANSFERS AND CANCELLATIONS

Credit Card Payment Processing

The Administrator may authorize claim payments by VISA card in the event that a contract holder has repairs completed by a repair facility requesting instant payment. VISA card payment ensures that the repair facility receives payment in a timely manner.

Claims to be paid by VISA card are initiated in the usual manner. To complete the payment transaction, the repair facility must fax or email the relevant documentation to the Claims Settlement Department (as described above). Once all documentation has been received and reviewed, a Claims Representative will then call the repair facility to provide a VISA payment by telephone. The Claims Representatives will then finalize the transaction by sending a payment confirmation email to the repair facility. Most payments for claims via a VISA transaction are completed within 24 hours of claim approval.

Transfers

Anti-Theft Protection coverage is not transferrable to any subsequent owner of the vehicle.

Cancellations

Anti-Theft Protection coverage may be cancelled by the original contract holder within the first 30 days from the contract purchase date. The customer may not cancel their contract after 30 days.

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

- Dealer name;
- Odometer reading on vehicle at time of cancellation request;
- Date of cancellation request;
- Year and model name of vehicle;
- Contract number;
- Vehicle Identification Number (VIN);
- Name of contract holder; and
- Name of contact person at Dealer.

A cancellation request form is available online in the sales tool section of <https://lgmhub.ca>. The cancellation request form is to be completed by the Dealer then forwarded to the Administrator who will calculate the entire refund amount due.

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

The Administrator, may cancel the contract for non-payment, for intentional misrepresentation in obtaining the contract or for intentional misrepresentation in the submission of a claim. If the contract is cancelled by the Administrator within 30 days from the contract purchase date, the contract holder or Lienholder will be entitled to a refund for the amount paid for the contract less the amount of any claims authorized or paid under the contract (except where prohibited by law).

If the contract is cancelled by the Administrator post 30 days from the contract purchase date, a pro-rated amount of the contract purchase price shall be refunded, less any claims authorized or paid (except where prohibited by law). The prorated refund will be calculated based on the expired portion of the contract by time or kilometres, whichever is greater, based upon the term selected and the date coverage begins, less the amount of any claims authorized or paid under the contract (except where prohibited by law).

The Dealer will not be required to contribute towards cancellation refunds in the event the Lienholder requests cancellation due to vehicle repossession or total loss and the request occurs more than 90 days from the contract purchase date.

Invoice Payment

SecureDrive Anti-Theft Protection contracts are sold exclusively via an online sales portal at <https://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 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. Invoices sent to your dealership pertaining to cancellations must be paid immediately upon receipt. Payment submitted later than this date may result in the suspension of your ability to sell any further plans until such time as you have made payment in full.

Your dealership can make payment through the HUB via bank withdrawal or with a cheque made payable to the insurer of the business and mailed to the Administrator. Any cheques not made payable to the insurer will be returned to your dealership.

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

- Cancellation invoices provided to you by the Administrator;
- Cheque made payable to LGM Financial Services; and
- Invoices generated by the online sales portal.

Please remit to:

LGM Financial Services

#142 - 757 West Hastings Street, Vancouver, BC V6C 1A1

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 contract/policy tax has been based on customer residence, tax to be remitted may differ from the above.

Indian Status Customers

Please note that the Dealer is required to observe the tax regulations pertaining to sales of contracts to customers with Indian Status. The dealer is further required to maintain records of such transactions, including retaining copies of Indian 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 contract sold. It is the responsibility of the Dealer to promptly provide the Administrator a copy of the signed contract upon request.

PRIVACY OF INFORMATION

Maintaining the privacy of information is very important to LGM Financial Services Inc. The information each Dealer provides us for a customer is held in strict confidence and is not shared with any outside parties unless required for statutory or underwriting purposes.

Each consumer contract states the following:

“We and the Administrator only collect, use and disclose personal information about You that is necessary to consider your application for Services, confirm the accuracy of the information collected, process Your business, handle Your claims, deal with third party dealers, repairers or roadside providers, otherwise administer this Contract, and to insure Our liability under this Contract with Our underwriters. If You exercise Your right and refuse to provide the required information at the time of registering Your Contract, then We and the Administrator will not be able to provide Services under the terms of this Contract. Once We and the Administrator have provided confirmation of Services to You, You may not withdraw your consent to provide Your personal information since We and the Administrator may be required to use Your personal information in the normal course of handling Your business, such as contacting You in the event of a claim. For more information regarding the privacy of Your information please visit www.lgm.ca/privacy.”

Each selling Dealer must ensure that in promoting, selling and maintaining the SecureDrive Anti-Theft Protection product at their dealership that they comply at all times with the current legislation pertaining to the privacy of information for all contract holders.