

Hyundai Extended Protection

Product Knowledge

Hyundai Extended Protection

Hyundai's comprehensive warranty is among the best in the industry.



Customers want additional protection to match their driving habits and intended ownership period.

Hyundai Extended Protection is designed to safeguard the customer from unexpected repair costs, beyond the factory warranty period.



Only product backed and guaranteed with the strength of Hyundai Auto Canada.



Why is there a need for Extended Protection?

Finance and Lease Terms

Many customers drive in excess of 20,000 km per year for 5 years or longer

Cost of Repairs

Customers want costs to be covered beyond the comprehensive warranty period.

Coverage Terms

Extended Protection offers coverage up to 96 months and 200,000 km.

Pre-Owned Vehicles

Used and H-Promise CPO vehicle purchasers may wish to purchase extended protection.

What type of customer purchases Extended Protection?



Customers who...

Are high mileage drivers



Want protection once comprehensive warranty expires

Value peace of mind protection for years to come

Value additional benefits during comprehensive warranty

Vehicle Eligibility

Models eligible: Brand new and pre-owned Hyundai vehicles



Cash, finance, and lease purchases

Models years eligible: Up to 5 model years.
Maximum odometer reading: 100,000 kms



Levels of Coverage

Premium Plus

Exclusionary coverage

All components covered except for a select list of exclusions.

Exclusive Benefits:

Road Hazard Protection
Claim-Free Reward
Trade-In Benefit

Premium

Inclusionary coverage

Covered components are specifically listed.

Powertrain

Inclusionary coverage

Basic powertrain components are covered.

Premium Plus Coverage

Ultimate protection for total peace of mind

All components covered except for a select list of exclusions

Available for New, Used and CPO Hyundai vehicles

Examples of components exclusively covered under Premium Plus Plan:

Airbags	Heated Seat Elements
Keyless Entry Module	Wire Harnesses
Body Control Module	Window Regulators
Upper/Lower Control Arms & Trailing Arms	Door Latch Assembly

Non-Covered Components:

- Accessory Items
- Cosmetic Items
- Maintenance Related Items

See contract for complete details.

Premium Plus Coverage: Road Hazard Protection



Tire repair or replacement due to a failure caused by a road hazard

Road Hazard Damage

- Puncture, cut, bruise or impact break during course of normal driving



See contract for full coverage details.

Premium Plus Coverage: Trade-In Benefit

Premium Plus customers receive a pro-rated credit towards a new Extended Protection Plan when they trade-in their Hyundai vehicle for another.



Premium Plus Coverage: Claim-Free Reward



Reward Options

- A** Coupon for a new Extended Protection contract with a total value of the contract purchased
- B** Issuing dealer store credit of up to \$2,000

Plan Eligibility

- Minimum 3 year difference between warranty start date and expiration date
- Minimum 40,000 km difference between warranty start mileage and expiration mileage

Premium Plus Coverage: Claim-Free Reward

Claim Requirements

- Customer's responsibility to initiate claim by calling Hyundai directly
- Claim must be made within 30 days after expiration date of contract (by time)
- Purchaser of policy must be owner of vehicle
- Reward must be used within 90 days
- See Selling Dealer Guide for full terms and conditions
- Advise customers to review contract in complete detail
- Policies purchased with a Claim Free Reward credit are not eligible for the Claim Free Reward when they expire



Premium Coverage

Inclusionary coverage with specific list of components

Covers many critical components that can be costly to repair

Available for New, Used and CPO Hyundai vehicles

Listed parts fall under the following categories:

Engine
Engine Cooling System
Fuel Metering System
Steering
Brakes
Transmission

Drive Axle
Transfer Case
Electrical (Chassis and Body)
Air Conditioning
Front and Rear Suspension
Engine Electrical System



Powertrain Coverage

Inclusionary coverage with basic list of powertrain components

Covers many critical components that can be costly to repair

Available for New, Used and CPO Hyundai vehicles

Engine
Transmission
Transfer
Case

Fuel Delivery
System
Drive Axle
Steering

Important:

Some component groups are not included: Turbocharger, Steering, Brakes, Electrical, Electric/Hybrid Vehicle, Air Conditioner, Front & Rear Suspension, and Cooling.

Multi-Media Software Package Upgrade



- Optional package
- Covers cost of all manufacturer's recommended software upgrades for the vehicle's entertainment and navigation systems
- Maximum aggregate limit of liability is \$500
- No deductible for these claims

Additional Benefits

Car Rental Benefit

- \$35 per day to a maximum of 5 days (\$175) per repair occurrence
- Recognized rental establishment or agency
- Paid while vehicle is being repaired provided repairs are expressly covered by Extended Protection agreement and the vehicle is inoperable overnight or longer
- Dealer owned rental vehicles are permitted (demo or dealer affiliated rental establishment)

Trip Interruption

- \$300 maximum coverage
- Breakdown must occur 100 km or more from home

24 Hour Roadside Assistance

- Towing
- Winching
- Battery Boost
- Fuel Delivery
- Tire Change
- Lockout Service
- Mechanical First Aid
- U.S. Arrest Bond Certificate

Please see contract for complete details.

Available Terms

New Vehicle Terms

At In Service Date

- 6 years / 120,000 km
- 7 years / 120,000 km
- 7 years / 140,000 km
- 8 years / 160,000 km
- 6 years / 200,000 km

Pre-Owned Vehicle Terms

Active at Purchase Date

- 12 months / 20,000 km
- 24 months / 40,000 km
- 36 months / 60,000 km
- 48 months / 80,000 km
- 60 months / 100,000 km

Terms & Conditions

Dealer Markup

- \$1,800 maximum



Deductible

\$0 or \$100

Fully Transferable to next private owner



\$50 Transfer fee applies
(except where prohibited by law)

Protection provided for breakdowns anywhere in
Canada and Continental U.S.A.

Cancellation Provision

- Contract is fully refundable within 45 days. A \$50 administration fee will apply.
- After 45 days or after a payment of a claim has been made, cancellation can only be for specific reasons as outlined in customer's contract.

Claims

- Extended Protection is administered by Hyundai Auto Canada.
- All claims are submitted and processed online through the Global Warranty System.
- Only new or remanufactured Hyundai parts are installed for an authorized repair.

- Cost + 30% pricing is applied to parts.
- Warranty labour rates and warranty labour time are paid for approved repairs.
- Reimbursements for approved repairs are credited into the dealer's parts account
- Pre-existing conditions are not covered.

Extended Protection

Presentation Techniques

Need Discovery

- At what point is it ideal to introduce Extended Protection?

- **Need Discovery** –ask questions that provide information regarding whether the customer has a need for EP.
 - Ask for the planned period of ownership and estimated annual km usage

Need Awareness

- **Need Awareness** - ask questions or make statements that cause the customer to **THINK** about a need, a risk or a potential gain in relation to one or more EP benefits.
 - Describe the factory warranty and its limitations
 - Demonstrate the gap between factory coverage and the customer's ownership period and usage
 - Establish with customer that repairs are expensive and occur more frequently as kilometres increase

Example:

Would you agree that repairs can be expensive?

Need Awareness

Prepared for Mr. & Mrs. Customer

ABC Hyundai

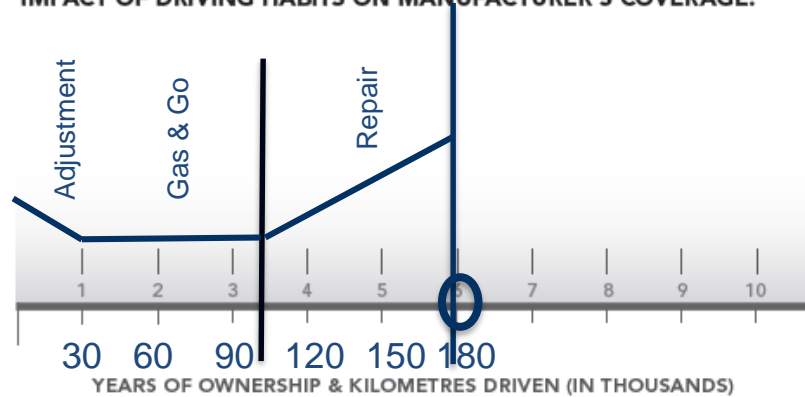
ESTIMATED DRIVING HABITS

PLANNED OWNERSHIP & DRIVING HABITS

YEARS:	6
KM:	30,000

NOTES

IMPACT OF DRIVING HABITS ON MANUFACTURER'S COVERAGE:



Need Satisfaction

- **Need Satisfaction** - provide information that demonstrates EP's benefit in relation to the customer's need and/or which places the cost in perspective.
 - Provide the solution to remedy the potential of unforeseen repair costs during the gap between factory warranty and the customer's ownership period and usage.

Example:

The Premium Plus will pay for vehicle breakdowns that occur within this gap. The only exceptions are listed under Maintenance and Parts not covered.

Trial Close

➤ **Trial Close** – test for interest

Example:

Can you see how our Plan can protect you against unforeseen mechanical repairs?

If YES - Proceed to close the sale

Close

- **Close** – have customer choose between two options

Example:

Would you prefer option “A” or option “B”?

Extended Protection

Handling Objections

Handling Objections

What are the common objections you come across?

- I had it before and never used it.
- It's too expensive.
- I'm buying a newer / good car, I don't need it.
- I'll only own the car for 3 to 4 years.

Handling Objections

Responding to Resistance

- Acknowledge
- Clarify
- Paraphrase
- Contract



Overcoming an Objection:

- Need Awareness
- Need Satisfaction
- Trial Close
- Close

Objection: I had it before and never used it.

Claim-Free Reward

- This added feature means that there is no financial risk or loss when you do not make a claim for the duration of your contract term.

Advancements in Vehicle Technology

- With the advancements of vehicle technology, breakdowns in computerized technology can also occur. EP can protect you in these situations.

Objection: I had it before and never used it.

Need Awareness		Need Satisfaction
Auto Insurance	Criteria	Extended Protection
\$1,200 per year	Premium Cost	\$2,800/6 = \$467/yr One time investment
Yes	Can your premium increase?	No. Protected against inflation.
Yes- Numerous claims / violations	Can the coverage provider cancel your coverage?	No – Regardless of number of claims
\$300 to \$1,000 per claim	Deductible	\$0 or \$100
Discount or partial refund only	Any benefit if you do not make a claim?	3x Reward Options
Accident or collision	What needs to happen in order for you to make a claim?	A repair
\$7,200	Total investment over a 72 month (6 year term)?	

Objection: It's too expensive.

Unexpected Costs



Objection: I'm buying a new car; I don't need it.

Discuss Typical Repair Costs

Engine Replacement	\$12,000
Differential Repair	\$1,300
Alternator Replacement	\$575
Air Conditioner Repair	\$1,600
Fuel Pump Replacement	\$400
Radiator Repair	\$775
Transmission Replacement	\$6,100
Leaking Cylinder Head Gasket	\$1,575
4 Wheel Drive Transfer Case Repair	\$2,000
Master Brake Cylinder Replacement	\$450
Power Window Motor Replacement	\$265
Airbag Assembly Replacement	\$1,225

Objection: I'm buying a new car; I don't need it.

20,000 Parts, assume 99.9% perfect, 0.1%=20 repairs (x average cost)

- An average work order is \$670. If you multiply this by 20, you would get \$13,400 or \$6,700 if only 10 parts experienced a breakdown.

First 5 years vs. the Second 5 years – EP DOUBLES the coverage

- EP covers a customer's vehicle when a vehicle is older and is more likely to break down. This is added value for the customer.

Objection: I'll only keep the vehicle for 3 or 4 years.

Transferability and Re-Sell Value

- When buying a used vehicle, a customer will have extra peace of mind knowing that there is a warranty on it.

Trade in Benefit

- Premium Plus customers receive a pro-rated credit towards a new Extended Protection Plan when they trade-in their Hyundai vehicle for another.

Resources for Ethical Sales



About LGM

We specialize in customizing
OEM branded business office
products

LGM was established in 1998 and
handles claims, administration,
sales, support, training and
marketing

LGM Training consists of English and French Regional Trainers, with an
in-house content development and coordination team.

Our state of the art offices and training facilities are located in Oakville,
Montreal and Vancouver.

Dealer Development Managers and Sales VPs on the road managing
dealer relationships