

Pulse Protects®



Pulse® Is

Pulse® is a Safety Device. It's a rear-end collision avoidance system. It's a small electronic device that connects to the wires going to the OEM 3rd brake light



Pulse® Does ...

When the brake pedal is pressed, Pulse® causes the third brake light to rapidly pulse 4 times. (The pulsing does not repeat upon subsequent application of the brakes for 5 seconds so as not to annoy trailing drivers in stop-and-go traffic)...



Pulse® Does

Pulse® is proven in DOT and manufacturer studies to be very effective at getting the attention of distracted drivers and preventing rear-end collisions.



Important Statistics

- **Driving a vehicle while texting is six times more dangerous than driving while intoxicated according to the National Highway Traffic Safety Administration (NHTSA).**
Wilms, Todd. It Is Time For A 'Parental Control, No Texting While Driving' Phone. Forbes Business, September 18, 2012.
<https://www.forbes.com/sites/sap/2012/09/18/it-is-time-for-a-parental-control-no-texting-while-driving-phone/#2a18b5366531>
- **Texting while driving a vehicle has now replaced drinking while driving as a leading cause of accidents and deaths of teenage drivers. Last year, over 11,000 deaths were attributed to texting and driving in the U.S.**
Texting While Driving Now Surpasses Drinking and Driving for Teenage Accidents and Fatalities (PRWEB) May 23, 2012.
- **Texting drivers are 23 times more likely to be involved in a crash than non-texting drivers.**
Remarks delivered by David Strickland at the Texas Traffic Safety Conference in San Antonio, TX, June 5, 2012.
- **In 2017, 3,166 people were killed in crashes involving a distracted driver, according to the National Highway Traffic Safety Administration (NHTSA). This accounts for 8.5 percent of fatalities on US roads in 2017.**
2017 Fatal Motor Vehicle Crashes: Overview, October 2018, NHTSA, DOT HS 812 603, available at <https://crashstats.nhtsa.dot.gov/Api/Public/ViewPublication/812603>
- **In 2015, the most recent year for which injury data is available, there were 391,000 people injured in crashes involving a distracted driver.**
Distracted Driving 2015, March 2017, NHTSA, DOT HS 812 381, available at <https://crashstats.nhtsa.dot.gov/Api/Public/ViewPublication/812381>
- **Rear-end crashes are the most frequently occurring type of collision, accounting for approximately 29% of all crashes and resulting in a substantial number of injuries and fatalities each year.**
U.S. DOT, NHTSA, Analyses of Rear-End Crashes and Near-Crashes in the 100-Car Naturalistic Driving Study to Support Rear-Signaling Countermeasure Development, DOT HS 810 846, 10.07
- **There are approximately 1.7 million rear-end collisions on U.S. roadways each year. About 1,700 people die in those collisions and another 500,000 are hurt.**
The Washington Post, There are about 1.7 million rear-end collisions on U.S. roads each year. Here's how to stop them, Ashley Halsey III, 06.18.15

We did our research

Studies show if you give the person behind you 0.5-second additional warning time, about 60% of rear-end collisions can be prevented. An extra second of warning time can prevent 90% of rear-end collisions.¹

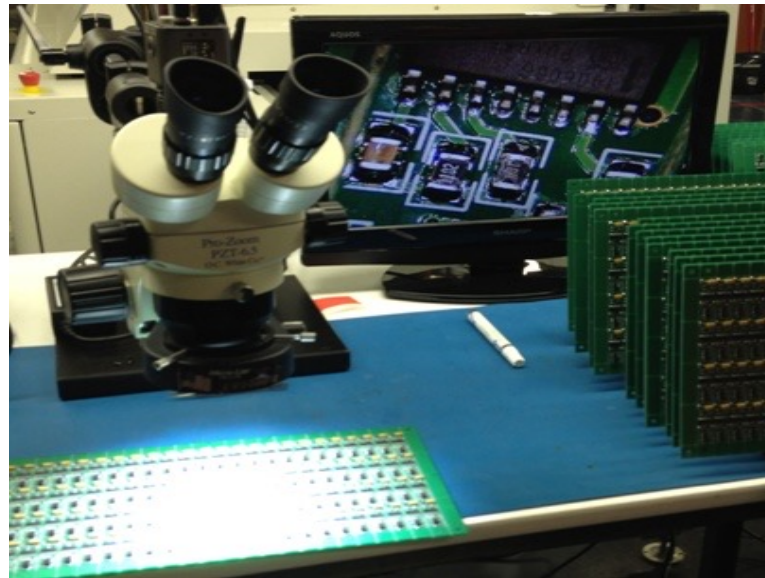
That's 90% eliminated! One second doesn't sound like a lot, but at 60 mph, a vehicle travels 88 feet per second. Pulse[®] was specifically designed to help provide that additional second and bring a distracted drivers' attention back to the road where it should be. The 1.2 second pulsing cycle is initiated when the brakes are applied with the specific goal of catching a distracted driver's peripheral vision and bringing their attention back to the roadway.

A study conducted from 2017-2018 showed Pulse[®] reduced a national fleet company's rear-end collisions by 31.13% on vehicles that were equipped with Pulse[®].

¹ D.R. Ankrum, "Smart Vehicles, Smart Roads," *Traffic Safety* 92(3) (1992): 6-9

Reliable Design

- Pulse® is designed such that if the module fails, the light will revert to normal operations.
- Basic 5-year product replacement warranty
- Easy, paperless



Product Liability Protection

- \$11MM product liability insurance policy
- Dealership named as "additionally insured"

			CERTIFICATE OF LIABILITY INSURANCE			DATE (MM/DD/YYYY) 6/3/2019	
THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICY BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.							
IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be an IF SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement this certificate does not confer rights to the certificate holder in lieu of such endorsements).							
PRODUCER Brown & Brown Insurance of AZ, Inc 2800 N. Central Ave., #1100 P.O. Box 2800 Phoenix AZ 85004				CONTACT Jeelice Malloy PHONE: 602-284-7040 FAX: [Redacted] EMAIL: jmalloy@bbphoenix.com ADDRESS: [Redacted]			
INSURED Williams & Lake, LLC dba: Pulse Protects 3955 S Centre Pointe Parkway Chandler AZ 85248				INSURER A: CNo Security Ins Co 24092		INSURER B: Valley Forge Insurance Company 20508	
				INSURER C: St Paul Travelers 1135			
				INSURER D: INSURER E: INSURER F:			
COVERAGES				CERTIFICATE NUMBER: 1229143779		REVISION NUMBER:	
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.							
PR LTH	TYPE OF INSURANCE	ADDL. INSD	INSUR. WAIVER	POLICY NUMBER	POLICY EFF. DATE (MM/DD/YYYY)	POLICY EXP. DATE (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PERIOD <input checked="" type="checkbox"/> LOC <input type="checkbox"/> OTHER:			SA352017624	4/29/2019	4/29/2020	EACH OCCURRENCE \$1,000,000 PRODUCTS TO PER POLICY \$3,000,000 MED EXP (Any one person) \$15,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - CONPROP AGG \$2,000,000 \$
A	<input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRING AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			SA352017624	4/29/2019	4/29/2020	COMBINED SINGLE LIMIT \$1,000,000 SOCIAL INJURY (Per person) \$ SOCIAL INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> RESTRICTIONS:			UG029217624	4/29/2019	4/29/2020	EACH OCCURRENCE \$5,000,000 AGGREGATE \$5,000,000 \$
B	EMPLOYERS COMPENSATION AND EMPLOYERS' LIABILITY EMPLOYERS COMPENSATION (EXCEPTIVE OFFICERS/MEMBERS/DELEGATED MEMBERS) IS BY: <input type="checkbox"/> Y <input checked="" type="checkbox"/> N/A F.A.A. (ANNUAL UPON DESCRIPTION OF OPERATIONS below)			WCR657310727	3/5/2019	3/5/2020	<input checked="" type="checkbox"/> PER ACCIDENT <input type="checkbox"/> LTD \$1,000,000 \$1,000,000 \$1,000,000 \$4,000,000 Aggregate
C	FORMAL LIABILITY			ZUP01N13783194F	4/29/2019	4/29/2020	Each Occurrence Aggregate \$4,000,000
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks schedule, may be attached if more space is required) Additional insured(s) applies on a blanket basis along with a Waiver of Subrogation and is Primary/Non-Contributory with respects to General Liability per attached form # C03610 (4/15).							
CERTIFICATE HOLDER Dealership Name Dealership Address Dealership City, State, Zip					CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. A CLAIMS REPORTING DEADLINE IS: <i>Jeelice Malloy</i>		

ACORD 25 (2016/03)

The ACORD name and logo are registered marks of ACORD

2023 Business Model

- Product / Process / Success
- New/CPO/Used Car Dealerships
- 100% Front Loaded on New Cars, and can be on CPO & Used Cars per dealer's request
- Pro Profit Program

Price Structure

	Pulse®	Safety F1rst 3000™
Wholesale Dealer Cost	\$59	\$99
Suggested Retail Price (SRP)	\$299 - \$399	\$499 - \$699

Making it Work in the Dealership

- Everyone has to Buy into the Process!
- Parts Markup
- Service Markup
- Salesperson Commission (% Gross / Spiff)
- GMs, SMs, Owners
- Dealer Pack?
 - Over remit paid to the payee by the agent

Pulse® Works With

- Almost all makes and models
- Makes Pulse® does not support;
 - Mercedes, Audi, Land Rover, Jaguar, Ferrari, Porsche, Maserati, Volvo, BMW, Mini, Fiat, Ford Raptor and all Exotics
- Both incandescent and LED lighting
 - 17,274,250 vehicles were sold in 2018

Can I get a Discount on My Car Insurance?

- Customers can possibly get it, but dealers shouldn't promise it
- Recommend that customers contact their insurance company to see if there is a discount available for a "rear-end collision avoidance system"
- Have seen discounts from 5 to 10% by mentioning rear collision avoidance system.

Features & Benefits

Safety F1rst 3000™ Product Warranty

- Provides added value to customer
 - \$3000 credit towards purchase or lease of new car
 - If rear-end collision and deemed to be a “Total Loss”
- Provides added value to dealership
 - Make more money
 - Drive Customer Retention

What If the Customer Won't Buy

- Pulse® can be removed
- In our experience, if presented properly on the car on the lot, the majority of customers will purchase Pulse®
- Who wants to be less safe to save few dollars per month on their car payment

What makes Pulse Legal

Is Pulse® Legal?

- Pulse® maintains sufficient voltage to 3rd brake light at all times, such that the lighting element never goes “off” (see operational graph)
- Lab testing demonstrated that photometric values stay within DOT specs throughout operation
- Module marked with DOT compliance

Void Manufacturer Warranty



MAGNUSON MOSS WARRANTY ACT

US Code - Title 15, Chapter 50, Sections 2301-2312

Section 2302(c) of the Magnuson Moss Warranty Act says that a vehicle manufacturer cannot void the warranty or deny a warranty claim on a vehicle due to an aftermarket part unless the manufacturer can prove that the aftermarket part caused or contributed to the failure in the vehicle. The Act states:

(c) Prohibition on conditions for written or implied warranty; No warrantor of a consumer product may condition his written or implied warranty of such product on the consumer's using, in connection with such product, any article or service ... which is identified by brand, trade, or corporate name; except that the prohibition of this subsection may be waived by the Commission [Federal Trade Commission] if -

- (1) the warrantor satisfies the Commission that the warranted product will function properly only if the article or service so identified is used in connection with the warranted product, and
- (2) the Commission finds that such a waiver is in the public interest.

If a vehicle manufacturer fails to honor emission/warranty claims, contact the EPA at (202) 260-2080 or www.epa.gov. If federal warranty protection is denied, contact the FTC at (202) 326-3128 or www.ftc.gov. For more information:

- http://en.wikipedia.org/wiki/Magnuson%E2%80%93Moss_Warranty_Act
- http://en.wikipedia.org/wiki/Consumer_Bill_of_Rights
- <http://www.autotrader.com/research/article/car-tips/26053/vehicle-warranty-denied.jsp>
- <http://www.autoguide.com/buyers-guide/warranty-denied-881.html>

It is illegal for a manufacturer to void the warranty due to the installation of aftermarket accessories

What is Expected at time of install:

Some of your responsibilities include but are not limited to:

- Facilitating conversations between the installers and the dealership staff, assisting in introductions and setting up training times for sales and service.
- If possible, coordinate with the dealership to assign a Lot Porter who will make sure the lot vehicle keys are accessible to our installers
- If a Lot Porter is not available, arrange with the dealership to make sure our installers have access to the lot vehicle keys
- Record the vehicle stock numbers on the log sheets for the cars that were installed with Pulse®
- Conduct the Sales training with dealership staff
- Be available to assist the installers in addressing any issues that come up during the installation

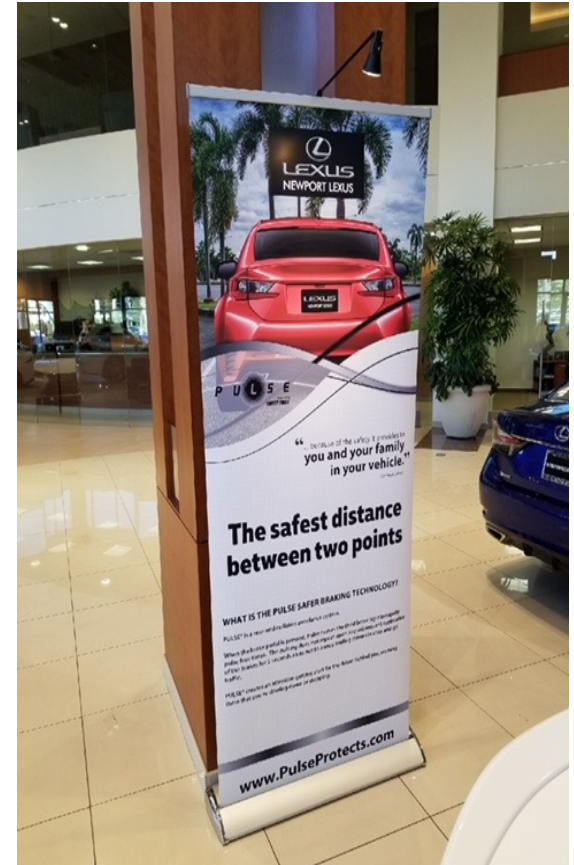
Day of the Front Load

Pulse® Point of Sale Material Provided at No Charge

- Pop-Up Banners (2 per dealership)
- Interactive Display Board (1 per dealership)
- Car Toppers (3 per dealership)
- Brochures / Holders

Point-of-Sale Material Provided

Place the POS Material throughout the Showroom



Gross Margin Analysis

Vehicle Sales Monthly (new and CPO)	Dealership Module Cost	Dealership Monthly Investment *Includes dealer pack, Sales person commission, parts mark up, labor cost
100	\$99.00	\$19,696.50
Penetration Rate	Dealership Retail Price	Dealership Monthly Pulse® Sales
90.00%	\$499.00	\$44,910.00
Salesperson or Mgr (or both) Commission	Salesperson or Mgr (or both) Commission	Salesperson or Mgr (or both) Commission
\$25.00	\$2,250.00	\$27,000.00
Dealer Pack	Dealer Pack Monthly Profit	Dealer Pack Annual Profit
\$50.00	\$4,500.00	\$54,000.00
Parts Dept. Markup Percentage	Parts Depart. Monthly Profit	Parts Dept. Annual Profit
15%	\$1,336.50	\$16,038.00
	Dealership Hourly Service Rate	
	\$100.00	
Service Dept. Labor %	Service Dept. Monthly Profit	Service Dept. Annual Profit
0.30	\$2,376.00	\$28,512.00
Technician Hourly Rate	Technician Monthly Install Cost	
\$12.00	\$324.00	

Total unit cost	
pulse unit	\$99
salesperson / Sales Mgr. comm	\$25
dealer pack	\$50
parts mark up (15%)	\$14.85
Labor cost	\$30.00
Total	\$218.85

Total Sales and Gross calculation	
Pulse units sold	90
Total sales	\$44,910.00
Total cost	\$19,696.50
Total Monthly Net	\$25,213.50

* number of retail new X

*Includes Dealer pack, S

Service Department - monthly profit calculation		
number of pulse installed	90	90
retail labor rate	\$100.00	\$3.60
hours per install	\$0.30	\$324.00
total service sales	\$2,700.00	

Overall Dealership Monthly Profit	sales dept. only monthly profit	monthly including service dept	monthly including parts and service	including parts and service and dealer pack
	\$25,213.50	\$27,589.50	\$28,926.00	\$33,426.00
Overall Dealership Annual Profit	sales dept. only annual profit	annually including service dept	including parts and service	including parts and service and dealer pack
	\$302,562.00	\$331,074.00	\$347,112.00	\$401,112.00

Oxmoor Group:

- Oxmoor Toyota
 - Vehicles sold – 178
 - Pulse sold – 176
 - Front gross – 38251
 - All money - \$44,003
- Oxmoor Hyundai
 - Vehicles sold – 76
 - Pulse sold – 75
 - Front gross - \$16,222
 - All money - \$18,598
- Oxmoor Ford
 - Vehicles sold – 82
 - Pulse sold – 71
 - Front gross – \$15,421
 - All money - \$24,761
- Oxmoor Chrysler
 - Vehicles sold – 61
 - Pulse sold – 57
 - Front gross – \$12,329
 - All money - \$19,830
- Oxmoor Mazda
 - Vehicles sold – 78
 - Pulse sold – 77
 - Front gross – \$16,655
 - All money - \$26,784

Total Oxmoor Group

- Vehicles sold – 475
- Pulse sold – 456
- Front gross - \$98,888
- All money - \$133,976

Hardin County Honda

- Vehicles sold – 22
- Pulse sold – 20
- Front gross – \$5,000
- All money - \$7,138

Bill Collins Ford

- Vehicles sold – 152
- Pulse sold – 131
- Front gross – \$25,530
- All money - \$44,938

Conway Heaton Ford

- Vehicles sold – 21
- Pulse sold – 15
- Front gross – \$3,045
- All money - \$4,874

Hennessey Cadillac

- Vehicles sold – 109
- Pulse sold – 55
- Front gross – \$22,116
- All money - \$26,676

Hennessey Mazda

- Vehicles sold – 189
- Pulse sold – 120
- Front gross – \$43,200
- All money - \$52,800

Royal VW

- Vehicles sold – 53
- Pulse sold – 49
- Front gross – \$14,700
- All money - \$20,335

Angela Krause Ford

- Vehicles sold – 92
- Pulse sold – 87
- Front gross – \$23,229
- All money - \$34,800

Krause Family Ford

- Vehicles sold – 66
- Pulse sold – 62
- Front gross – \$16,554
- All money - \$24,800

ALL STORES COMBINED – September 2022

- Vehicles sold – 1,192
- Pulse sold – 1,088
- Pulse penetration – 91%
- Front gross – \$279,028
- All money - \$387,537

Congratulations!

Mark Davenport

President & CEO

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ValueShield[®]

DIMINISHED VALUE VEHICLE PROTECTION



THE CURE FOR CARFAX®

THE FACTS OF

- Valuable and necessary product, however, causes decreased dealer sales and profits.
- Discloses prior accident history for the customer; lowers vehicle's trade-in value. **This loss of value is called diminished value.**
- A dirty CARFAX® report decreases ACV, increases negative equity, and decreases sales.
- Usually results in lower gross profit when a sale can be made (on both the deal of the new vehicle with trade-in and on the resale of the traded vehicle).

THE VALUE OF

- Valuable and necessary product. **GREAT FOR SALES AND PROFIT.**
- Eliminates (or reduces) depreciation caused by diminished value.
- Increases ACV by up to \$5,000 or \$10,000. Higher ACV = higher gross profit, easier finance options, and less over-allowing.
- The concern of a bad CARFAX® is eliminated. **Accident forgiveness at the dealership level.**

Hundreds of thousands
of contracts sold since 2015.



Customers need
ValueShield®

ValueShield® is a registered trademark of ValueShield LLC. © 2011

DEALER BENEFITS

✔ Upfront Profit on the Sale of

- Dealer profit ranges between \$300–\$800 per contract.
- Can be sold on EVERY vehicle (new & used), finance, cash, or lease deals.
- Can be sold at the point of sale or anytime after the purchase (e.g., in the service drive).
- Increases PVR–Benefit is twofold; at the time of sale for the PVR component and at the time of trade-in explained below.
- Very relatable product. Everyone has either been involved in an accident or knows someone who has.

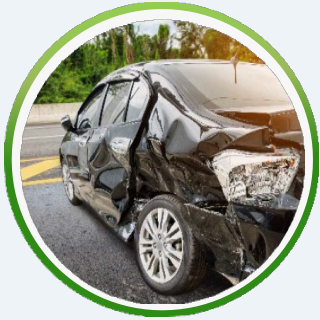
✔ Valuable Retention Tool

- Brings customers back to the original dealer to buy a new vehicle or trade-in vehicle involved in an accident.

✔ Increases ACV of Trade-In

- Improves the opportunity of selling the customer another vehicle.
- Eliminates (or reduces) negative equity that results from diminished value (bad CARFAX®/accident).
- Higher front-end gross profit, more room to sell additional F&I products, under-allowing for trade, and accurately appraising dirty CARFAX® cars.

CUSTOMER BENEFITS



The Problem: **Diminished Value**

- A dirty CARFAX® can reduce ACV by 30%–70%, resulting in negative equity.
- Auto insurance repairs the vehicle but **does not protect its value.**
- Most states allow auto insurers to specifically exclude diminished value.
- Diminished value recovery from auto insurers is difficult and rarely successful.
- Loss of leverage when negotiating the trade-in value.



- Offers peace of mind as the only proactive approach to diminished value protection.
- Typically costs around \$7/month retail, \$14/month on a lease.
- Paired with GAP, it creates a **Total Financial Protection Package or GAP Wrap.**
- Provides convenient and hassle-free way to trade a damaged vehicle.
- **Increases ACV up to \$5,000 or \$10,000,** allowing the customer to buy a new vehicle.
- Sales tax credit on the benefit amount reduces the effective cost of ValueShield®.
- Can help reduce the new vehicle payment by up to \$100/month or more.



GAP

TOTAL FINANCIAL PROTECTION PACKAGE GAP WRAP



GAP

What it Covers	Partial Loss (diminished value)	Total Loss (accident or theft)
Likelihood of Use (Based on 100 late-model car accidents)	Greater than 93%	Less than 7%
Can Be Sold on Every Car	YES	NO N/A for cash and most leases
Customer Retention	YES Brings the customer back to the original dealer when they are ready to trade.	NO
Helps Original Dealer Sell More Cars	YES	NO

RETAIN MORE PROFIT

✓ Fake Profit from increasing chargebacks

- Most dealers' earned income and net F&I income are steadily declining.
- A combination of longer loan terms (72+ months), less down payment, and rolling in more negative equity from trade-ins results in higher payments and higher LTVs.
- Longer loan terms mean longer VSC and GAP terms.
- Shorter trade cycles (proactive dealer loyalty programs/encouraged by some OEMs through incentives) and higher repossession rates increase chargebacks.
- **It's not how much you make; it's how much you keep that matters.**
- Term policies leave the dealer exposed to high chargeback percentages.

✓ ValueShield® results in higher net profits

- The 36-month term results in higher retained profit, fits the average customer trade cycle and leaves the dealership less exposed to chargebacks.
- It's better to have a \$900 F&I profit in two products instead of one (see below).

EXAMPLE: VEHICLE SALE, 72-MONTH LOAN TERM, CUSTOMER TRADES IN MONTH 37

GAP ONLY	
PRODUCT	GAP
TERM	72
PROFIT	\$900
CHARGEBACK	-\$450
ACTUAL PROFIT	\$450

EXAMPLE: VEHICLE SALE, 72-MONTH LOAN TERM, CUSTOMER TRADES IN MONTH 37

GAP WRAP (GAP & VALUESHIELD®)			
PRODUCT	GAP	ValueShield	
TERM	72	36	
PROFIT	\$100	\$800	
CHARGEBACK	-\$50	\$0	
ACTUAL PROFIT	\$50	\$800	GAP Wrap Profit: \$850

TOTAL LOSS THRESHOLD PARAMETERS

What happens to a vehicle damaged in an accident? Is there hope of repair, or will it be deemed a total loss? As far as geography and insurance companies go, this varies greatly. Below we explain total loss thresholds, how vehicle total loss is calculated and what each state has determined the threshold to be.

TOTAL LOSS

What is a Total Loss Threshold (TLT)?

This is when an insurer is required by law to declare a vehicle totaled and file for a salvage title. Because the TLT is set at the state level, it will vary based on where you live. **For example:**



A car with damage totaling 80% of its value is totaled in Florida however considered repairable in Texas, where the threshold is 100%. Where you live will influence whether your vehicle will be deemed a total loss.

What is a Total Loss Formula (TLF)?

Twenty-one states **do not** use a specified threshold percentage and use a TLF. The insurer will calculate the repair expenses and the scrap value. If this value equals or exceeds the ACV before the accident, the vehicle is declared totaled. If the figure is less than the ACV, the insurance company may choose to repair it.

TLF formulas can vary between insurance companies. Where one insurer may deem a vehicle totaled, another may declare it repairable. This TLF valuation allows the insurer a lot of leverage on the calculation and essentially makes it nearly 100% threshold.

21

STATES use a TLF

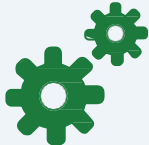
Unless a TL percentage is established by law, insurers will use the total loss formula.

This information is for general informational purposes only. All information listed is provided in good faith; however, we make no representation or warranty of any kind, express or implied, regarding the accuracy, adequacy, validity, reliability, availability or completeness of any information.

STATE	THRESHOLD
Alabama	75%
Alaska	TLF
Arizona	TLF
Arkansas	70%
California	TLF
Colorado	100%
Connecticut	TLF
Delaware	TLF
Florida	80%
Georgia	TLF
Hawaii	TLF
Idaho	TLF
Illinois	TLF
Indiana	70%
Iowa	70%
Kansas	75%
Kentucky	75%
Louisiana	75%
Maine	TLF
Maryland	75%
Massachusetts	TLF
Michigan	75%
Minnesota	80%
Mississippi	TLF
Missouri	80%

STATE	THRESHOLD
Montana	TLF
Nebraska	75%
Nevada	65%
New Hampshire	75%
New Jersey	TLF
New Mexico	TLF
New York	75%
North Carolina	75%
North Dakota	75%
Ohio	TLF
Oklahoma	60%
Oregon	80%
Pennsylvania	TLF
Rhode Island	75%
South Carolina	75%
South Dakota	TLF
Tennessee	75%
Texas	100%
Utah	TLF
Vermont	TLF
Virginia	75%
Washington	TLF
West Virginia	75%
Wisconsin	70%
Wyoming	75%

OFFER CALCULATION



**Our
Simple,
Straight-
forward
Formula**

PulseShield® ACV*

=

Insurer's ACV

+

Repair Amount

(\$5,000 or \$10,000)

*Total not to exceed Black Book Average Trade-In



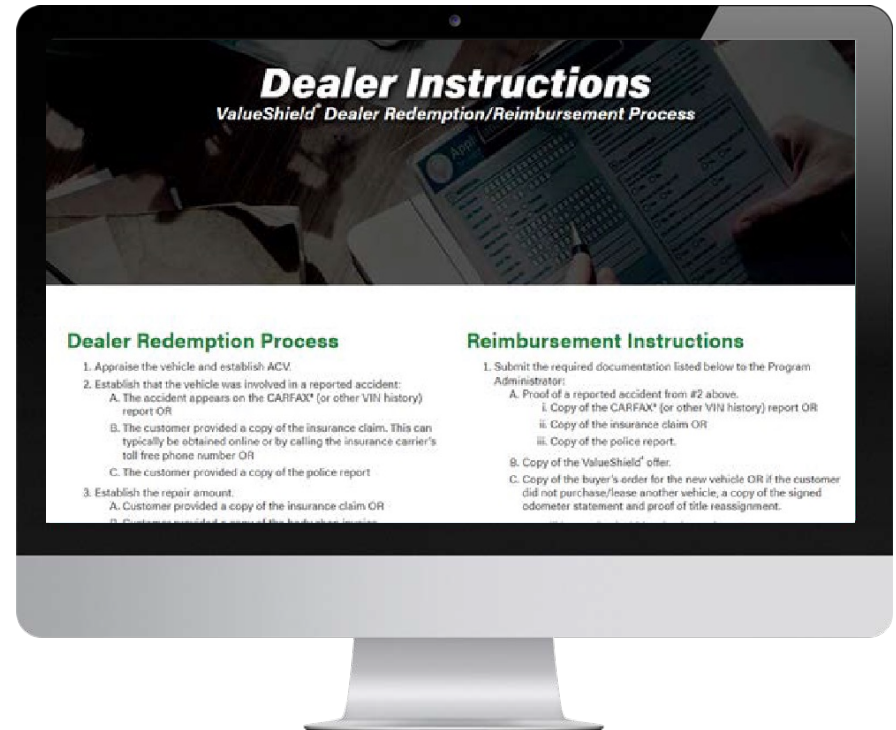
REDEMPTION AND REIMBURSEMENT OVERVIEW

✓ Redemption Process

- **Easy** online access at www.ValueShieldAuto.com/redeem.
- **Available** 365 days a year, 24 hours a day.
- **Fast.** Takes less than 60 seconds.
- **Informs** dealer of the **exact** ValueShield® offer amount in real-time.
- **Encourages spot deliveries.** Does not slow the dealer's sale process.

✓ Reimbursement Process

- Dealer submits required documentation to the Program Administrator.
- Dealer is **quickly** reimbursed by the Program Administrator.



DEALER REDEMPTION PROCESS DEMONSTRATION

Get quick and easy ValueShield® offer calculations at www.ValueShieldAuto.com/redeem. Use the information below for a demo.

Click on the CALCULATE OFFER icon 

Screen 1/6

To view example for:

Enter Contract Number:

Enter VIN:

\$2,500 Benefit

VS00001145

674549

\$5,000 Benefit

VS00001147

674549

\$10,000 Benefit

VS00001148

674549

Screen 2/6


This screen will ask you to confirm the Vehicle Year, Full VIN, and Owner populated by the contract number and VIN you entered on screen 1, **click Next** to continue.

Screen 3/6

Enter Mileage: **40,000**

Screen 4/6

Was the vehicle in a reported accident: **click Yes**

Date of accident: **Click** on the calendar icon  and select any date

To view example for:

Enter body shop invoice amount:

\$2,500 Benefit

\$2,250

\$5,000 Benefit

\$4,800

\$10,000 Benefit

\$9,600

Screen 5/6

To view example for:

Enter ACV:

Enter Black Book® Average Trade-In Value:

\$2,500 Benefit

\$8,500

\$11,000

\$5,000 Benefit

\$9,500

\$14,500

\$10,000 Benefit

\$19,000

\$29,000

Screen 6/6

Certify and acknowledge; for this demonstration, **use your initials** in the Submitted By field, and **MGR** in the Title field.

Click Submit for Offer to display the ValueShield® Purchase Offer!

Remember to PRINT the ValueShield® Purchase Offer to submit to the Administrator for reimbursement.

ADMINISTRATION & UNDERWRITING



LENDER APPROVALS



Please contact your representative for front-end/back-end parameters. Advance varies by lender. ValueShield® is not available in CA or NY.

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SUMMARY

Valuable Retention Tool

Boost Sales

Increase Gross Profits



✔ ValueShield® Is Needed.

- Over 6 million accidents occur annually in the U.S.
- Accidents reduce a vehicle's trade-in value.
- CARFAX®, and other VIN history reporting tools, disclose accidents.
- Only 7% of accidents result in a total loss. **The other 93% need ValueShield®.**
- Diminished value negatively affects dealers, customers, and the overall sales process.

✔ ValueShield® Helps Dealers

- Upfront profit that does **not** affect other product penetrations, rapport builder.
- Valuable retention tool that reduces customer acquisition cost and drives new sales.
- Higher ACV equates to more sales and higher gross profits.
- Can be sold on EVERY vehicle (new & used), finance, cash or lease deals.
- Simple and efficient redemption process that encourages spot deliveries.

✔ Customers Buy ValueShield®

- Hundreds of thousands of contracts have been sold since 2015.
- High perceived value makes selling ValueShield® an easy sale to the customer.
- Very relatable, common-sense solution to diminished value.