



WHY SHOULD YOUR F&I DEPARTMENT INCLUDE THE SALE OF INSURANCE?

Do you have an F&I or just an “F” department? Finance companies, banks, and credit unions are all set up to sell insurance because insurance generates profit. If you’re referring the sale of insurance to the finance company, bank or a local insurance agent then you are referring revenue out your front door and into the coffer of others. Is profit motive the function of the Finance and Insurance department? If your answer is yes then you need to evaluate what is captured in the finance office and what is referred out the door. Keep in mind that **each time you don’t sell an insurance policy you are losing revenue from each of these deals that go out the door.**

Gold Mining Data - How many past customers are in your dealership database? Have you considered that every one of those customers is a potential new prospect for your dealership including insurance?

The math adds up – Assume your F&I department seized the opportunity to maximize its insurance potential focusing just on new customers:

First year results

	100	Average new and used units sold per month.
	50%	Average closing percentage selling insurance.
	50	Average number of new policies sold per month.
	50	Number of new policies written on average per month.
x	\$537	Average premium for new motorcycle policy in GA.
	\$26,850	Average written premium for the month, new business.
x	10%	Commission rate.
	\$2,685	Additional monthly dealership revenue.
x	12	Annualize the commission
=	\$32,220	Annualized commission for new business.

Second year result:

Renewals	50	Number of policies sold prior year as new (first year results)
x	85%	Average renewal retention.
	42.5	Number of policies that will renew as an average.
x	\$376	Average renewal premium (discounted for renewal).
	\$1,598	Additional monthly dealership revenue.
x	12	Annualize the commission.
	\$19,176	Annualized commissions for renewal business (last years sales)
New Sales +	\$32,220	Annualized new commissions
=	\$51,396	New and renewal business commissions



WHAT YOU'RE CURRENTLY DOING	WHAT YOU SHOULD BE DOING
Sending your customers to an insurance agent or company	Become an insurance agent
You earn 0% commission on new business (100% of nothing)	You earn great commissions on all business!
You're paid NOTHING each year your customers insurance policy renews	REOCCURRING REVENUE! <u>You're</u> paid every year your customers insurance policy renews
You're sending thousands of dollars out of your door annually!	You Make Money! \$\$\$
You're leaving big money on the table	You're keeping big money in your pocket.

Selling a product required by law - When selling one of your products (motorcycle, atv, jet ski) our product (insurance) becomes a product required by law. People have to have insurance on their vehicle so why not offer it? Why send required by law business out the door when you can easily offer the product to your customer and make money?

New and re-occurring revenue – Not only will you make money from selling an insurance policy one time but each and every time your customer renews their insurance policy. While you can only sell a motorcycle once our products can be resold or “renewed” each year providing you a great source of re-occurring revenue.

When to sell and to whom? Some dealers think the only time to offer insurance is on a new purchase or when the customer asks. What a mistake! Every customer purchasing a vehicle from your dealership should be offered an insurance quote. But don't stop there. Any customer you know that already owns a motorcycle insured somewhere else is a potential customer. You can also data mine your dealership database for a treasure trove of potential new insurance customers. Remember, insurance is not limited to new bike sales. It's only as limited as you make it!

Harley Dealers – Some Harley dealers have considered selling insurance to legally earn a small fee for referring insurance to Harley Financial. By using this strategy the dealership ends up short changing itself literally. Where a dealer would enjoy earning full commissions with us they end up making substantially less with Harley. More importantly your dealership has lost the ability to earn money on residual income. Harley owns the insurance policy not you. They make the money when the insurance policy renews not your dealership.

No overhead and little investment - What's great about our product is that it can be sold anywhere at any time. If you have a computer and access to the internet you're ready to sell. Moreover our product has no floor plan and takes up no space costing nothing to maintain. The only investment on your part is the cost it takes to become an agent typically running between \$275 - \$395 depending on your state. The return on investment is fantastic

The next step – Identify a person in your dealership that is committed to your business. Discuss with them the value and need of getting licensed. Assure that person that obtaining a license is easy to do and in most cases can be done online.

To learn how to become an insurance agent in your state click here [LICENSING INFORMATION](http://us-insurance.com/dealership-program/become-an-agent/) or visit us online at <http://us-insurance.com/dealership-program/become-an-agent/>

For more information about licensing or for further questions on the value of selling insurance please give us a call. We're more than happy to help.

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