

› Why choose CNA National?

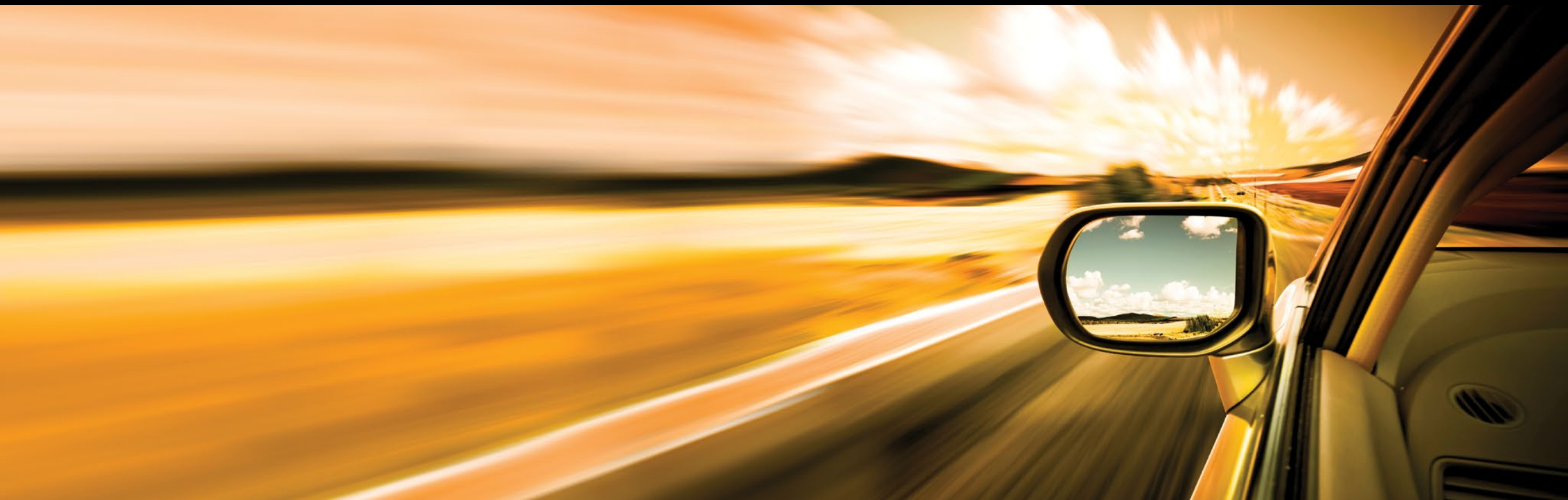
› Programs designed for success

› Participation programs that work for you

› When only the best will do

CNA NATIONAL[®]

Your Guide to What Makes CNA National the Right Choice for Dealers



Why choose CNA National?

As a premier F&I solutions provider, CNA National is committed to delivering the best products and services in the industry. For more than 35 years, we've worked to accomplish that goal by clearly saying what we will do and doing what we say. While anyone can claim to be the "best," we have more than three decades of continued success supported by our founding philosophy of providing valuable and profitable product platforms with a customer-centric service model. We recognize that in our business, the relationship does not end at the time of sale, but is just beginning. By combining superior products with unparalleled service, CNA National has become the leading choice of dealers nationwide.

Founded in 1982, CNA National has grown into a nationally recognized and award-winning provider by meeting the following criteria:

- Offering dealers a mix of products developed to fit their specific F&I needs
- Creating opportunities for dealers to maximize their return
- Designing programs that are transparent and easy to understand, while being comprehensive enough to satisfy market needs
- Delivering long-term security through solid underwriting and insurance backing
- Developing participation programs customized to fit our clients' individual goals
- Providing the finest administrative services in the areas of sales, risk management, compliance, dealer administration and claims

LEARN MORE

- › Top 10 reasons for doing business with CNA National
- › Choosing the right partner

Voted number one in the Dealers' Choice Awards for 13 consecutive years, including "Best Service Contract Provider" for 12 years and "Best Reinsurance Provider" for four years.*

*As awarded by Auto Dealer Today: Best Service Contract Provider 2005-2010; 2012-2017; Best Reinsurance Provider 2011-2017

**DEALERS'
CHOICE AWARDS**



Why choose CNA National?

Today, more than ever, it is important to select business partners who not only provide superior products, but also have the strength, stability and expertise to help ensure your success. We understand this requires both balancing dealer revenues and exceeding the customer's expectations. Whether it is a vehicle service contract, GAP, tire-and-wheel or warranty, all of our products and programs have been designed with profitability, security and customer satisfaction in mind.

Dedicated to our dealers

We are a wholly owned subsidiary of CNA, one of the oldest and largest insurance organizations in North America with more than \$55 billion in assets. Our financial stability, along with a broad array of products, unmatched customer service and industry-leading participation programs makes CNA National the first choice for dealers focused on maximizing customer loyalty and their bottom line. Much more than providing the best and most financially secure products in the industry, we know what it takes to serve you and are dedicated to being your long-term preferred provider.

Quality customer experience

For over three decades, CNA National has been taking care of dealers and consumers by doing business the right way—providing superior service, paying claims quickly and fairly, and offering the best participation programs in the industry. We continually strive to not only deliver the best products, but also help fulfill the promises made to your customers. From our sales, claims and administrative support teams that assist in day-to-day program management, to our compliance, underwriting and risk management groups that are focused on providing the best, most secure products at a competitive rate, our staff delivers the highest level of service to benefit your dealership.

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› CNA at a Glance

› Do you really know your VSC provider?



CNA is one of the largest U.S. commercial property insurance companies with more than \$55 billion in assets.

Programs designed for success

With CNA National, your dealership will be able to provide fairly priced products with a variety of options to fit your customers' budgets and, at the same time, potentially increase your penetration rates. Our VSCs offer a wide range of coverage levels, terms and options for maximum sales, including business-use eligibility*, future contract guarantees, expense reimbursement and roadside assistance. Our wrap programs provide additional opportunities for upsells. We also provide point-of-sale and marketing materials to help your F&I department create awareness and generate interest.

Vehicle Service Contracts

We provide coverage options to meet your market and consumer demands. Vehicle service contracts were our first product, and they remain the focus of our operations today.

Customer satisfaction comes standard.

- No exclusions for wear and tear
- No exclusions for pre-existing conditions otherwise covered
- Multiple deductible options
- No second deductible for repeat repair of the same item
- Business-use availability*

Please see actual contract for terms, conditions, limitations and exclusions. Offerings are subject to state limitations.

*Subject to availability at time of vehicle purchase.



Customer benefits include:



Roadside Assistance & Towing



Travel & Lodging Reimbursement



Manufacturer's Warranty Deductible



Thousands of Repair Locations



Rental Car Reimbursement

We provide point-of-sale materials to help your F&I department make the most of every opportunity.

› Vehicle Service Contract Brochure



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› Program offerings



› VSC overview



Programs designed for success

Guaranteed Asset Protection (GAP)

Protection from theft or total loss.

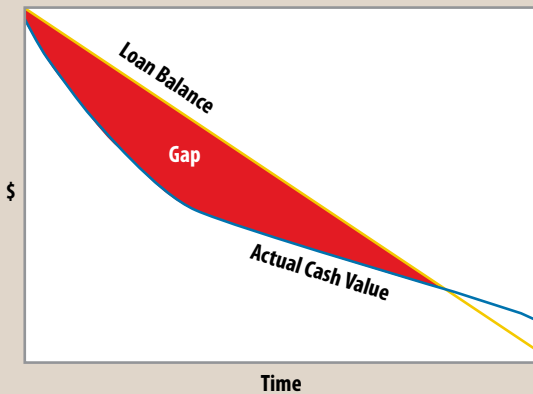
- Available for new and used vehicles
- Available for lease and loan financing agreements
- Finance for up to 84 months
- Finance up to 150 percent of the MSRP (new vehicles) or NADA retail value (used vehicles)
- Retail sales value up to \$100,000
- Simple rate structure

Please see actual GAP waiver for complete terms, conditions, limitations and exclusions. State restrictions may apply.



Each year thousands of vehicles are declared a total loss due to theft or accidents. Guaranteed Asset Protection (GAP) is designed to help cover the difference between the vehicle's actual cash value and the outstanding loan balance.

What is a "GAP"?



Let's say you owe	\$ 20,000
Your insurance company says the actual cash value of your stolen/damaged vehicle is	– \$ 14,000
Leaving you with a "gap" of	\$ 6,000
Your primary insurance deductible is	+\$ 500
MAKING YOUR TOTAL OUT-OF-POCKET EXPENSE	\$ 6,500

REDUCE OR ELIMINATE YOUR OUT-OF-POCKET EXPENSE WITH GAP PROTECTION!

For illustrative purposes only. Your individual situation will vary depending on the details of your financing, vehicle specifics and driving history; some out-of-pocket expenses may remain, including amounts previously due, late fees and other adjustments.

We provide point-of-sale materials to help your F&I department make the most of every opportunity.

› **Guaranteed Asset Protection Brochure**



Programs designed for success

Preferred Tire Care

Protection from the costs of most road hazards.

- Available for new and used vehicles
- Choice of coverage, including curb and cosmetic damage
- One- to five-year terms
- No deductible
- No dollar limit per claim
- No aggregate dollar limit
- Transferable

Please refer to the actual contract for specific coverage, benefits, exclusions and state restrictions.



What could a repair cost you out of pocket?

Tire replacement.....	\$ 179
Wheel replacement.....	\$ 415
Cosmetic repair.....	\$ 135
Labor.....	\$ 74
Taxes.....	\$ 57
Emergency roadside assistance/towing.....	\$ 60
Rental car.....	\$ 71
POTENTIAL COST OF REPAIRS	\$ 991

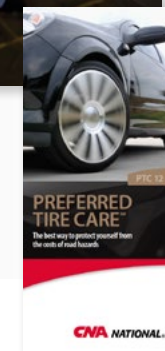
YOUR COST FOR COVERED REPAIRS:.....\$ 0

Costs are examples only. Actual costs will vary.



We provide point-of-sale materials to help your F&I department make the most of every opportunity.

› Preferred Tire Care Brochure



LEARN MORE

› Preferred Tire Care overview



Programs designed for success

Pro Certified Limited Warranty Program

Customizable limited warranty program that offers multiple coverage, deductible and term options.

- Attract customers with certified, quality used vehicles
- Provide certification for models outside your franchise
- Move used vehicles more quickly
- Customize the program to fit your needs
- Maintain higher gross on inspected and certified used vehicles
- Participate in underwriting profits



LEARN MORE

› Pro Certified overview



› Why certify?



We provide point-of-sale materials to help your F&I department make the most of every opportunity.



Programs designed for success

Pro Certified Lifetime Limited Powertrain Warranty and Wrap Program

Differentiate your dealership and increase customer retention with a lifetime warranty program and optional wrap vehicle service contract.

- For new and used vehicles
- Lifetime powertrain coverage for engine, transmission/transfer case/all-wheel drive assembly and drivetrain assembly component groups
- Wrap vehicle service contract available with exclusionary coverage
- Multiple wrap terms available, including lifetime

Dealerships must be qualified and approved. Not available in all states. Please see the actual warranty for specific terms, conditions, limitations and exclusions. Not all vehicles are eligible.



LEARN MORE

› Pro Certified Lifetime overview



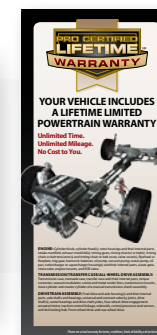
› Why offer Lifetime?



› Lifetime Installation Guide



We provide point-of-sale materials to help your F&I department make the most of every opportunity.



Participation programs that work for you

Our commitment to you is to offer the finest profit-sharing programs in the industry and the highest level of personalized service. We realize that no two dealers are the same and that one participation program does not fit all. With multiple participation program options, CNA National is positioned to customize a program that aligns with your short- and long-term financial goals. Consistently recognized as one of the top providers for reinsurance, we will work with you to identify the best fit for your specific needs.

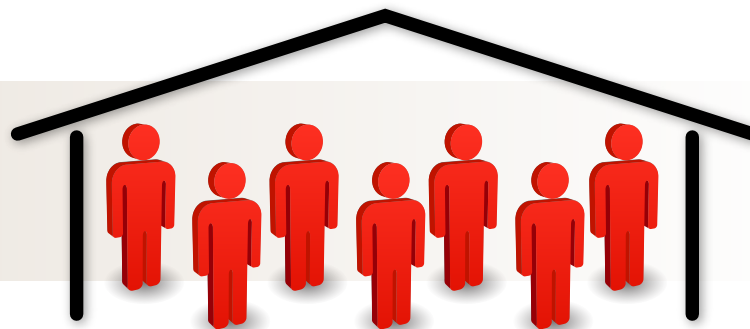


Retro (Dealer Equity)



Controlled Foreign Corporation (CFC)

Non-Controlled Foreign Corporation (NCFC)



To date we have returned more than \$452 million to dealers on our participation programs and are dedicated to continuing our reputation as a preferred long-term partner.



Subject to program eligibility, terms, conditions and limitations.

Participation programs that work for you

Retro (Dealer Equity)

Our retro program is designed to increase cash flow back to the dealer through investment of premiums and positive underwriting results.

Program highlights:

- Backed by more than \$55 billion in assets
- Agreement directly between you and the CNA member company
- Pay-out information stated clearly in the agreement
- No contingent liability
- Distributions paid every six months
- Receive up to 100 percent of the underwriting income
- Receive up to 100 percent of the investment income
- Program benefits paid up to a 100 percent loss ratio

Profit bonus: underwriting income

- Paid after just 75 percent of an eligible year's business is earned
- Receive 100 percent of the underwriting profit in your account based on your service contract production
- Loss ratio less than 100 percent allows you to receive underwriting profit on eligible policy years
- Profit bonuses paid are yours to keep

Equity bonus: investment income

- Minimum of 150 contracts every six months to receive maximum benefit
- Inception-to-date loss ratio of less than 100 percent qualifies you to receive investment income
- Equity bonuses paid are yours to keep



LEARN MORE

› Dealer Equity presentation



› Dealer Equity overview



Please see actual agreement for terms, conditions, limitations and exclusions. Individual results are subject to your account's performance and are not guaranteed. Please consult your financial, tax and legal experts for advice specific to your situation.

Participation programs that work for you

Controlled Foreign Corporation (CFC)

As a long-term strategy for generating wealth and future returns, a CFC is a 100 percent dealer-owned company with the written premium ceded each month. A CFC also has monthly cession intervals to maximize investment income and potential tax deferral. Qualifying dividends are taxed at favorable rates.

Program highlights:

- 100 percent can be owned by a single shareholder
- Actively managed by independent investment professionals
- Full disclosure of fees

Profit generation:

- Written premium deposited to your CFC trust account on a monthly basis
- Net premium deposits begin to generate investment income immediately
- Lower loss ratio equals greater underwriting profit

Distribution of funds*:

Dividends – Shareholders can request a dividend, whose income will be treated pursuant to current tax laws in effect at the time of distribution.

Loans – A loan may be issued from the reinsurance company to an authorized entity.

Stock redemption – The shareholder(s) can choose to liquidate the CFC when all liability has expired. Under current tax provisions, the liquidation distribution will be treated as a capital gain.



Subject to program eligibility, terms, conditions and limitations. Please read contracts carefully. CNA National makes no representations as to the need for or appropriateness of producer-affiliated reinsurance companies. Reinsurance involves risk. Please consult your own legal counsel and financial representatives before deciding whether to create or invest in such an entity.

*Subject to availability of funds

LEARN MORE

› CFC presentation



› The value of communication in reinsurance



Participation programs that work for you

Non-Controlled Foreign Corporation (NCFC)

Designed to maximize multiple income sources, this program has many owners in which no single dealer controls more than 10 percent. Our NCFC provides a superior dividend feature plus a defined redemption formula.

Program highlights:

- 100 percent owned by shareholders
- No single shareholder owns more than 10 percent
- Defined exit strategy for redemption of shares and dividends
- Maximized investment income as a result of shorter ceding intervals

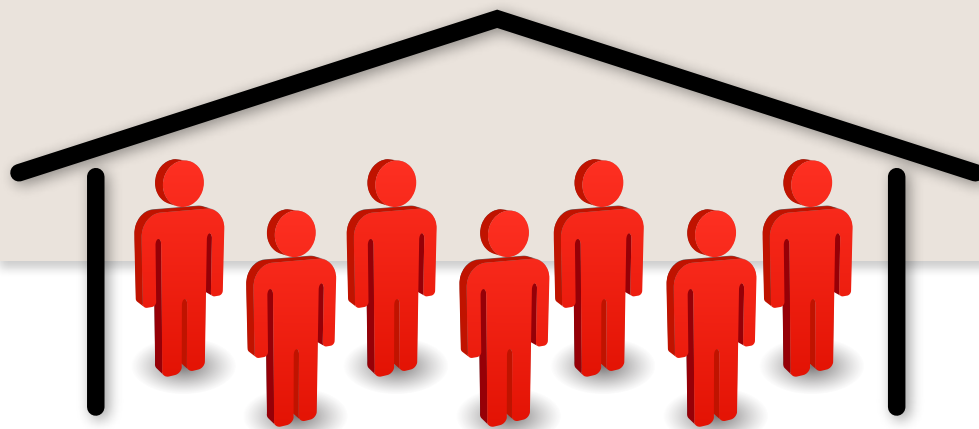
Profit generation:

CNA cedes premium (net of claims and expenses) on a monthly basis. The net premium deposits will begin to generate investment income immediately. The lower the loss ratio, the greater the underwriting profit.

Distribution of funds:

Dividends – Underwriting profit of a participation policy year is eligible for payment to the shareholder as a dividend at the end of the eighth year.

Stock redemption – Upon written request by the shareholder and approval by the board, shares are redeemed based on book value.



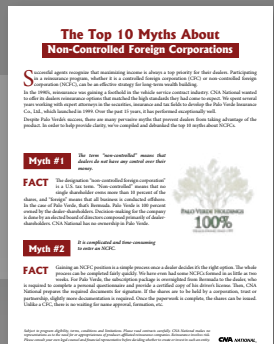
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LEARN MORE

› NCFC presentation



› The top 10 myths about NCFCs



When only the best will do

To eliminate some of the stress that comes with a mechanical breakdown, we designed our claims process to ensure prompt and efficient service for both your customers and your service department. The majority of our claims adjusters are former service technicians with numerous ASE certifications, so we understand your side of the business. We're even open on Saturday to ensure you and your customers are cared for. Our hassle-free claims process focuses on getting the customer back on the road as quickly as possible. We understand your goal of keeping your customers coming back to your dealership for years to come, and these are the ways we put you and your customers first.

Claims

We take pride in our fast, fair and hassle-free claims process. Dealers know they can count on us to pay every claim that is covered by one of our contracts. This clearly stated approach to claims administration creates a better outcome for your customers and a positive atmosphere for our employees. Our Claims Department handles more than 70,000 telephone calls every month and pays approximately 1,100 claims every day. In the past 10 years, we've approved and paid over \$730 million on over 1.1 million claims. And you can be confident you will get your claims payment quickly—checks in two days or less, or same day by credit card.

**70,000
CALLS**

We handle more than 70,000 calls every month.

**1,100
CLAIMS**

We approve approximately 1,100 claims every day.

**\$730
MILLION**

We have paid more than \$730 million on over 1.1 million claims in the past 10 years alone.

Our hassle-free claims process focuses on getting the customer back on the road as quickly as possible.



When only the best will do

Compliance

CNA National is committed to serving as an industry leader in today's quickly evolving regulatory environment.

- We understand the risks within this industry
- Our products comply with state and federal laws, as well as meeting specific lender requirements
- Concerns are addressed quickly and promptly through direct work with Sales, Operations and Claims Departments

Risk Management

CNA National's Risk Management Department is dedicated to ensuring our programs are sustainable and cost effective for the long term in order to fulfill the commitment the products make to your customers.

- Effective and competitive product pricing
- Focus on program profitability
- Monthly tracking and reporting on performance goals and customer satisfaction
- Personalized dealership performance reviews
- Hands-on monitoring of participation programs

Training

At CNA National, we want to be sure that you are set up for success, which is why we offer a variety of training opportunities, including:

- Beginning F&I
- Advanced F&I
- Online F&I modules
- Service Manager Roundtables
- Customizable in-store training and development

As a wholly owned subsidiary of CNA, one of the country's largest insurance organizations, we have the stability to fulfill the promises we make to you and your customers.

CNA NATIONAL
SALES OBJECTION TIP CARDS

CUSTOMER OBJECTION:
"I think the plan is too expensive. I don't think it's worth the money."

CONSIDER AS RESPONSE

"I understand why you might hesitate to take advantage of this option if you feel that it's too expensive. I wouldn't buy it either if I felt that way. Maybe it would help if we broke down the cost of the service contract by **time and/or miles** to illustrate how reasonable this coverage really is."

"Let's break down the price of the service contract over weeks and miles."

Use the following formula for the time example (for weeks):
 (Vehicle Service Contract Price ÷ Term in Months) ÷ 4
 Example: \$1,800 ÷ 60 months = \$30/month, and \$30 ÷ 4 = \$7.50/week
 This means that the cost for 5 years of coverage would be \$7.50 per week.

For the average cost per mile, simply divide the price by miles:
 Vehicle Service Contract Price ÷ Miles
 Example: \$1,800 ÷ 50,000 Miles = \$0.036
 Or a little over three cents a mile.

FOR DEALER USE ONLY. NOT FOR USE AS A CONSUMER ADVERTISEMENT.

› Sales Objection Tip Cards

When only the best will do

Support tailored to you

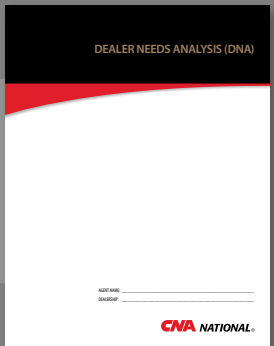
In order to provide the most personalized service and in-depth knowledge of your market, CNA National has established the industry's best network of independent agents who live and work in your geographic territory. We select our agents because they are industry and product experts, who can pass that knowledge on to you. They are committed to understanding your business goals and helping you reach them. Our *Dealer Needs Analysis* provides you with a comprehensive business evaluation that will identify areas for growth and put you on the path to increased penetration rates and income development.

› Making the move

With dedicated staff that is the best in the industry, we make your dealership's transition to CNA National as easy and seamless as possible. If you are looking for a partner to grow your organization, develop your personnel and maximize your profitability in a compliant and customer-centric manner, the only choice is CNA National.

LEARN MORE

› Dealer Needs Analysis



› Making a smooth transition to CNA National

