

January 26, 2015

Part Two - Personal Safeguards Group, LLC consumer survey related to Vehicle Service Contracts.

When asked for the primary reason the consumer purchased a Vehicle Service Contract they cited:

- 40% of consumers listed "Peace of Mind"
- 33% said the Vehicle Service Contract was "bundled" or "included" in the purchase
- 13% of the consumers listed "Convenience"
- The remaining items were "Good Value" and "Complexity" of the Vehicle

When measuring a consumer's future intent from ALL consumers:

- 41.7% of consumers said they were "Not at All Likely" to purchase a vehicle service contract in the future
- Of the 58.3% of consumers who indicated a positive likelihood to purchase a Vehicle Service Contract in the future:
 - o 23.3% said they were "Slightly Likely"
 - o 16.1% said they were "Moderately Likely"
 - o 12.2% said they were "Very Likely"
 - o 6.7% said they were "Extremely Likely"

When measuring a consumer's future intent from consumers who had purchased a vehicle and a Vehicle Service Contract in the past 12 months the likelihood dramatically increases.

- 92.3% of the consumers indicated a positive likelihood to purchase a Vehicle Service Contract in the future
- Only 7.7% of consumers said they were "Not at All Likely" to purchase a vehicle service contract in the future
- Of the 92.3% of consumers who indicated a positive likelihood to purchase a Vehicle Service Contract in the future:
 - o 9.6% said they were "Slightly Likely"
 - o 25% said they were "Moderately Likely"
 - o 36.5% said they were "Very Likely"
 - o 21.2% said they were "Extremely Likely"

41.7% of the consumers who purchased a vehicle in the past 12 months had purchased a Vehicle Service Contract at some point in the past.

37.2% of the consumers who purchased a vehicle in the past 12 months had a claim on a Vehicle Service Contract at some point in the past.

(Previously Released)

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Over 43% of consumers purchasing a new or used vehicle at a dealer included at least one service contract product (VSC, GAP, Tire & Wheel, Appearance Protection, PrePaid Maintenance). Over 38% specifically purchased a Vehicle Service Contract.

Over 89% of Vehicle Service Contracts were purchased from the dealer. Just over 10% were purchased from a bank, credit union or via on-line / telemarketing.

On-line / telemarketing purchases are now estimated at over \$550,000,000 of the \$15,000,000,000 in Vehicle Service Contract gross sales.

Over 58% of the consumers surveyed indicated a positive likelihood of purchasing a VSC in the future.

About Personal Safeguards Group, LLC

Personal Safeguards Group, LLC (PSG) is a warranty and specialty insurance consulting and brokerage firm serving the automotive, appliance & technology, affinity and financial services industries.

PSG works with industry leading and highly rated Insurance Carriers, Service Contract Providers, Obligors, Administrators, Marketers and Services Partners to develop unique solutions for its clients.

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