

The True Cost of Auto Theft Dealer Training Supplement

The Insurance Objection

When selling the LoJack® System, one of the most common objections we hear from customers is:

“I don’t need a LoJack System. That’s what I have insurance for.”

Many people believe they will be covered by insurance if their car is stolen. The fact is insurance doesn’t always cover everything; even with insurance, having your vehicle stolen can still be expensive.

If you are prepared to overcome this objection, you’ll be in a better position to close the sale. The best way to overcome this objection is to show the customer the ‘true cost’ of auto theft.

The True Cost of Auto Theft

In reality, the ‘true cost’ of auto theft isn’t just the insurance deductible; it’s more than that. It’s all the additional costs that can add up beyond what insurance covers – and these can really add up.

Some of these may include:

- Taxes, title, and registration
- Continuation of loan payment
- Vehicle depreciation
- Rental car expenses

You can use the costs above to calculate the ‘true cost’ of auto theft, and demonstrate to the customer how expensive having their vehicle stolen can be. Walk your customer through the worksheet at the end of this kit to help uncover these costs for them.

Calculating the True Cost of Auto Theft

At the end of this document is a blank table that you can use for the calculation. We recommend using one of the following approaches with the customer:

Option 1: Fill in the sheet **while you are with the customer.**

Start with a blank table and walk through all the cost calculations with the customer. This is more time consuming, but it will help the customer ‘own’ the calculations and guide them to the realization that the ‘true cost’ of auto theft is often higher than they think.

The True Cost of Auto Theft

Dealer Training Supplement

Option 2: Fill in the table(s) **before you meet with customers.**

Complete several tables beforehand for the popular vehicle price scenarios. You can save time and choose the example that most closely mirrors the calculations for the customer's new vehicle.

Be transparent with your assumptions so the customer can focus less on the rationale for each number and more on the bigger picture of how costly auto theft can be. Customize this so it's close to what the customer has in their situation:

- Taxes, title, and registration – use the fees that are in effect in your state for the car they are considering.
- Continuation of Loan Payment – until the insurance company settles, the customer may have to pay loan payments; calculate a reasonable amount and use 2 months' worth of payments. That's 30 days to declare the vehicle a loss if it's not found, and another 30 days to get payment from the insurance company.
- Vehicle Depreciation – the insurance isn't likely to pay for a totally new car; so the consumer may lose the amount equal to the depreciation of the car. Assume their car gets stolen halfway through their expected ownership period and calculate a basic depreciation for that amount.
- Rental Car Expenses – some insurance policies don't pay for these – calculate \$30 - \$40 per day for 30 – 60 days, while the insurance company waits 30 days to declare a loss, and another 30 days to pay the settlement.

On the next page, you will find the calculation tables you can walk through with your customer.

Walkthrough: The True Cost of Auto Theft

Having your car stolen can be expensive – and insurance may not cover everything. When your car is stolen, the cost is often more than just your deductible.

The table below will help show you what the ‘true cost’ of auto theft can be, and how these costs can really add up.

Item	Cost [†]
Taxes, Title, and Registration:	
Continuation of Loan Payment:	
Vehicle Depreciation:	
Rental Car Expense:	
Total	

The LoJack® System is the only stolen vehicle recovery system directly integrated with law enforcement.

*With a 90+% recovery rate on cars, trucks, and SUVs, you can trust the LoJack® System to deliver peace of mind and help protect against loss due to auto theft.**

[†]Approximate costs. Actual costs may vary.

*LoJack® unit activation is contingent upon the vehicle being located within LoJack’s coverage area that spans counties across 29 states throughout the US and the District of Columbia. You may find LoJack’s coverage areas at www.lojack.com/coverage or by calling 1-800-4-LOJACK.