

Refreshed 2017

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

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 85% of Vehicle Service Contracts were purchased from the dealer. Just over 15% were purchased from a bank, credit union or via on-line / telemarketing.

On-line / telemarketing purchases are now estimated at over \$1b of the \$33b in Vehicle Service Contract gross sales.

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

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:

- 42% of consumers said they were “Not at All Likely” to purchase a vehicle service contract in the future
- Of the 58% of consumers who indicated a positive likelihood to purchase a Vehicle Service Contract in the future:
 - 23% said they were “Slightly Likely”
 - 16% said they were “Moderately Likely”
 - 12% said they were “Very Likely”
 - 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% of the consumers indicated a positive likelihood to purchase a Vehicle Service Contract in the future
- Only 8% of consumers said they were “Not at All Likely” to purchase a vehicle service contract in the future



- Of the 92% of consumers who indicated a positive likelihood to purchase a Vehicle Service Contract in the future:
 - 10% said they were “Slightly Likely”
 - 25% said they were “Moderately Likely”
 - 36% said they were “Very Likely”
 - 21% said they were “Extremely Likely”

42% 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% 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.

About Personal Safeguards Group, LLC

Personal Safeguards Group, LLC (PSG) is a leading Service Contract, Limited Warranty and Specialty Insurance firm providing Advisory and Brokerage Services supporting Manufacturers (OEMs), Marketers, Retailers and Solution Providers in multiple industry verticals.

In addition, PSG provides Advisory Services to:

- Venture Capital and Private Equity investors analyzing the Service Contract industry
- Insurance Carriers exploring opportunities to enter the Service Contract industry
- Service Contract Providers seeking support with partnerships, products and other custom needs

For more information visit: <https://personalsafeguardsgroup.com>.

*Copyright © 2017 Personal Safeguards Group, LLC
Please source as: Personal Safeguards Group
This information is provided with No Warranties or Guarantees*