

Lending  
Products

# Mechanical Repair Coverage

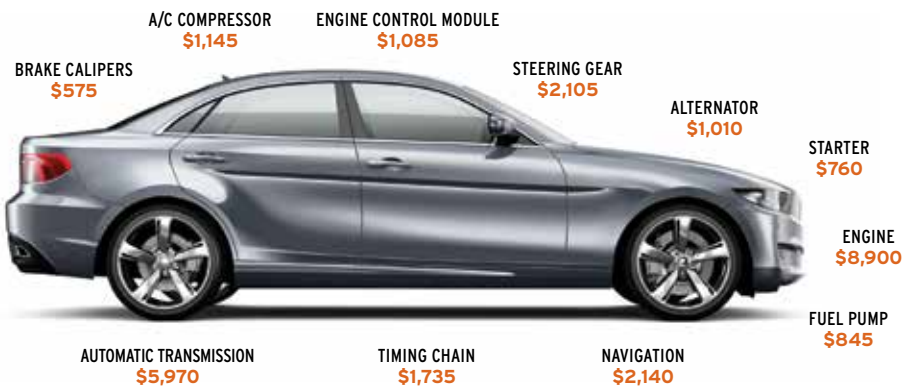
Protecting your members from costly vehicle repairs



The average length of vehicle ownership has **increased 60%** in the last ten years, with the average repair cost being more than **\$1,100**.<sup>1,2</sup> As vehicles age, the likelihood for repairs increases, which burdens more of your members with expensive—often unexpected—repairs.

Members need help in mitigating costly auto repairs—whether they have an auto loan through your credit union or a competitor, or they own their car outright.

With **Mechanical Repair Coverage (MRC)** from CUNA Mutual Group, you can offer a vehicle service contract to your members, to help in protecting them from unexpected vehicle repair costs, which could be well into thousands of dollars.<sup>3</sup>



You can present MRC to members during the loan event and offer it through a direct marketing channel, which helps you reach and protect more members. And, unlike most vehicle service contract programs, MRC offers add-on term and add-on miles coverage for all vehicles. This means the coverage begins on the purchase date, as opposed to the “in-service” date.\*

\*A waiting period of one month is required for MRC contracts sold through the direct marketing channel.

**Mechanical Repair Coverage offers benefits such as:**

**RENTAL REIMBURSEMENT**

Up to \$35/day for 5 days (up to an additional 5 days with verified parts delay) from day one.

**24-HOUR EMERGENCY ROADSIDE ASSISTANCE**

Includes towing, battery jump start, fluid delivery, flat tire assistance and lock-out service. (up to \$100 per occurrence).

**TRAVEL EXPENSE REIMBURSEMENT**

Up to \$200 per day for 1 - 5 days for food, lodging and rental expense when a covered breakdown occurs more than 100 miles from home.\*\*

**DEDUCTIBLE OPTIONS**

The per visit deductible is \$0, \$100, \$250 or \$500. Per visit means one deductible regardless of the number of repairs.

**TRANSFERABLE**

**Loan Event Channel:** If the vehicle is sold privately, the coverage can be transferred for a fee, which may add resale value and appeal.

**Direct Marketing Channel:** In the event of the member’s death, the policy is transferable to a spouse, domestic partner or legal representative of the member. Can vary by state.

**GOOD AT ANY AUTHORIZED REPAIR FACILITY IN THE U.S. OR CANADA**

\*\*Please refer to the Vehicle Service Contract or the Insurance Policy for details. Travel Expense Reimbursement not available to NY residents.

**Mechanical Repair Coverage allows you to maximize member benefits at a price that consistently beats the competition.** It helps to position your credit union as a full-service provider, and is an excellent source of non-interest income for your credit union.



# Committed to protecting more members, on their terms.

Market Mechanical Repair Coverage (MRC) to your entire membership through **two convenient, complementary channels**: during the loan event and through direct marketing.

## Loan Event Channel

Your loan officers can offer MRC for both new and used vehicles, at a time when members have the highest propensity for purchase.



- **Convenient** — Members can finance MRC with their vehicle loan-in one consolidated transaction.
- **Efficient** — With CUNA Mutual Group's online Protection Advisor® tool, your loan officers can compare vehicle service contract or insurance coverage, and issue coverage.
- **Flexible** — Set your credit union's compensation rate, where allowed by law, to balance member value with credit union income. (Not applicable in CA and FL.)

## Direct Marketing Channel

With the continued growth in indirect lending and the limited time loan officers have with members, MRC's direct mail channel complements your existing lending program and reaches members beyond the loan event. Through targeted direct marketing, you have an additional channel to reach more members, on their terms, including those with indirect vehicle loans, expiring manufacturer's warranties and those who own their vehicle outright.



- **Multi-Media Touchpoints** — Direct members to an online shopping experience from CUNA Mutual Group, with access to expert customer service through a dedicated call center. Your co-branded website is powered by ForeverCar, a vehicle service-contract purchasing platform.
- **Monthly Payment Plan** — Members pay through a convenient monthly payment plan that fits their budget.
- **Minimal Time and Resources** — Implement the MRC direct marketing channel by uploading your member data files, through our secure pathway, and we'll handle marketing to your members on your behalf.

**CUNA Mutual Group's Mechanical Repair Coverage helps you protect more members, more ways—and increase non-interest income for your credit union.**

**For more information, contact your CUNA Mutual Group Sales Executive at 800.356.2644.**



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<sup>1</sup><http://www.v12data.com/blog/a-look-at-trends-and-statistics-in-the-automotive-aftermarket-industry-2017/> <sup>2</sup>Internal data, average credit union member mechanical repair claim costs, 2017. <sup>3</sup>The Warranty Group. Actual costs may vary by vehicle year, make, and model. Prices based on specific manufacturer suggested labor & component repair prices for a representative sample of 2016 Asian, Domestic, and European vehicles as reported by a nationally-recognized labor/time publication. MEMBER'S CHOICE® Mechanical Repair Coverage is made available to you by CUNA Mutual Insurance Agency, Inc., and is insured by Virginia Surety Company, Inc.