***[Name of Dealership]* Voluntary Protection Products Policy**

**Overview**

Among the many products and services that the Dealership offers its customers are voluntary products that are designed to protect the customers’ investment in the vehicles they purchase or lease. These voluntary protection products (VPPs) can provide great value to customers when they are offered in a fair and transparent manner and customers fully understand their costs, benefits, and limitations. In order to facilitate a compliant, professional, and consumer-friendly VPP sales process, the Dealership adopts the following Policy:[[1]](#footnote-1)

**I. Policy Statement**

The Dealership will prominently display the attached poster, within clear view of prospective customers, stating that (i) VPPs offered by the Dealership are completely optional and are not required to purchase or lease a vehicle or to obtain warranty coverage, financing, financing on particular terms, or any other product or service offered by the Dealership, and (ii) the Dealership is fully committed to providing customers with the price, terms, and conditions of each VPP before they decide to purchase it.

**II. Legal Compliance, Training, Oversight, Coordination, and Records Retention**

1. The Dealership will fully comply with federal, state, and local law (including applicable licensing and insurance requirements and the prohibition against discrimination on a prohibited basis) as well as contractual obligations the Dealership has entered into with VPP providers, finance and lease sources, and other third parties.
2. The Dealership will conduct initial and periodic training on this Policy for—and oversee—Dealership employees involved in VPP selection, pricing, advertisement, presentation, sales, cancellation, and customer complaints.
3. The Dealership will coordinate the efforts of its departments to ensure a consistent and harmonized approach toward the proper execution of this Policy.
4. The Dealership will retain records used to document compliance with this Policy for an appropriate period.

**III. Product Selection**

The Dealership will only offer to customers VPPs that offer value. At a minimum, to the extent it is available, the Dealership will consider:

a. the product’s cost, coverage, limitations, and other terms and conditions;

b. the product’s claims payment and cancellation process; and

c. the product provider’s financial ability to provide the product benefits.

**IV. Product Pricing**

a. The Dealership will establish a Standard Retail Price (SRP) for each VPP and each bundle of VPPs it offers for which pricing discretion exists.

b. The Dealership will only discount the SRP for the following pre-established, legitimate business reasons:

1. a pricing or payment cap imposed by law or by the company providing financing for the purchase;
2. a customer’s stated monthly payment constraint;
3. a more competitive offer for the same or similar VPP;
4. promotional pricing for which the customer qualifies; and
5. employee pricing for which the customer qualifies.

c. The limitation on discounts in Section IV.b of this Policy does not preclude the Dealership from establishing an SRP for a bundle of VPPs that is less than the combined sum of the SRP of each individual VPP in the bundle.

d. The Dealership will establish procedures, including the utilization of the VPP Certification Form, to record, review for corrective action, and retain determinations that a pre-established, legitimate business reason supported a decision to discount the SRP.

**V. Product Advertisement**

The Dealership will not advertise, solicit, or otherwise market VPPs in a manner that is deceptive, misleading, confusing, or otherwise inconsistent with their terms and conditions.

**VI. Product Presentation and Sale**

1. The Dealership will ensure its employees who offer VPPs to customers fully understand their benefits, limitations, and other terms and conditions before offering them to customers. The Dealership will not offer products to customers for which they are ineligible or would derive no value.
2. The Dealership will inform customers orally that the VPPs it offers are *optional*. The Dealership will not contradict this disclosure in any way, including by stating or implying that the purchase of a VPP is required as a condition of purchasing or leasing a vehicle, obtaining warranty coverage, qualifying for financing or obtaining particular financing terms, or executing any other part of the transaction.
3. The Dealership will present VPPs to customers in a standard, simple menu format that, at a minimum, prominently discloses:
4. that the purchase of any listed VPP is optional;
5. that any listed VPP may be purchased separately;
6. that the purchase of any listed VPP is not required to purchase or lease a vehicle or to obtain warranty coverage, qualify for financing, or receive financing on particular terms;
7. that the listed VPPs or the protections they provide may be available from other sources;
8. that the dealer may retain a portion of the sale price of the listed VPPs;
9. the price of—and monthly payment for—the vehicle without the purchase of a VPP;

7. the price of—and monthly payment for—each VPP if purchased separately; and

8. the price of—and monthly payment for—each product bundle if VPPs are purchased as a bundle.

d. The Dealership will present VPPs in a manner that is designed to assist customers in making informed purchasing decisions. This includes presenting to the customer information about the VPPs’ price, deductibles, limitations, benefits, eligibility, requirements for maintaining coverage, claims process, cancellation and refund rights and procedures, and other important terms and conditions.

e. Prior to the sale of a VPP, the Dealership will:

1. provide the customer with a copy of—and an opportunity to review—each selected VPP’s terms and conditions as well as any other required disclosures; and

2. request the customer’s acknowledgement of the menu disclosures and election to:

 A. purchase each selected VPP or VPP bundle, or

B. decline purchasing any VPP or VPP bundle.

f. Following the sale of a VPP, the Dealership will provide to customers all required post-sale forms.

**VII. Product Cancellation**

The Dealership will:

1. ensure customers have a simple and clear method to exercise any cancellation rights applicable to VPPs they have purchased;
2. take no action to delay, prevent, or otherwise frustrate customers’ exercise of such rights;
3. promptly and courteously process customer cancellation requests and issue, or facilitate the issuance of, refunds due to customers or to the finance or lease source, as required; and
4. maintain, or send to the VPP provider, verification that the refund was provided to the customer or to the finance or lease source, as required, if the Dealership issues the refund.

**VIII. Customer Complaints**

The Dealership will promptly and courteously respond to customer complaints regarding VPPs purchased from the Dealership.

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**[*Name of Dealership*] Voluntary Protection Products Policy**

[*Name of Dealership*] offers vehicle service contracts and other voluntary products that are designed to protect your investment in a vehicle you purchase or lease from us. The purchase of any of these voluntary protection products is completely **optional** and is **not** required to purchase or lease a vehicle or obtain warranty coverage, financing, financing on particular terms or any other product or service offered by the dealership. [*Name of Dealership*] is fully committed to providing you the price, terms and conditions of each voluntary protection product before you decide to purchase it.

**Reviewer Certification**

I have reviewed the above information and supporting documentation and:

* certify that the Selling Price complies with the [*Name of Dealership*] Voluntary Protection Products Policy, or
* certify that I have initiated the corrective action noted below.
	+ Reduced the customer’s Selling Price for

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to $\_\_\_\_\_\_ or provided a

refund to the customer in the amount of $\_\_\_\_\_\_.

* + Taken the following employee corrective action (describe):
	+ Other (describe):

Signature

Date

Printed Name

Title

**Discount 1**

**Discount 2**

**Discount 3**

**Discount 4**

**Discount 5**

**Voluntary Protection Products Certification Form**

Buyer(s)/Lessee(s) Name(s)

 Date

 VIN

**Allowable Discounts**

VPP limited by pricing or payment cap

Customer stated monthly payment constraint Customer stated competing offer

Customer qualified for Dealership Promotional VPP Campaign

Customer qualified for Dealership Employee Incentive Program

**I certify that the information above is true and correct to the best of my knowledge and that any discount from the Standard Retail Price was made in good faith and in a manner that is consistent with the requirements of the**

**[*Name of Dealership*] Voluntary Protection Products Policy.**

Signature

Date

Printed Name

Title

Name of VPP (or VPP Bundle)

Standard Retail Price

Selling Price

If Selling Price is less than Retail Price, enter the Number of the Allowable Discount from the list below.

If Discount 2 is selected, enter the Amount of the Monthly Payment Constraint.

If Discount 3 is selected, enter the Name of the Competing Offeror *and* the Price of the Competing Offer.

1. Nothing in this policy, express or implied, is intended to or shall confer upon any person any right, benefit, or other remedy of any nature whatsoever under or by reason of these standards or any federal, state, or local law. However, any violation of this Policy by a Dealership employee can be the basis for disciplinary action, including termination of employment and/or the agency or independent contractor relationship. [↑](#footnote-ref-1)