

PLAN TO SELL SMA

1. Present warranty on the terms that customer is going to pay (i.e. figure warranty in payment & show difference).
2. Sell warranty based on the benefit to customer (not price, years, high pressure, etc.).
3. If customer says no – try to uncover the reason they don't want the coverage. Remember, everyone wants to be under warranty – no one wants to be out of warranty. (80%)
 - a. They don't believe the product will break or
 - b. They don't think the benefit is worth the money spent or was not presented as a total package
4. To answer these objections, you must have a believable reason for them to buy – remember, **"They want to be under warranty!"**
 - a. ***(The product won't break in 5 years)***
 - i. All products break! The manufacturer knows some will break immediately. – That's why they set up service networks. – They know how long before most repairs start happening + that's when they end their warranty. Manufacturers don't build a high reliability rate into their product because that drives the cost way up + you as a customer won't pay for it.
 - b. ***(The coverage is not worth the money)***

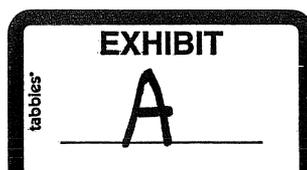
Service is getting very expensive these days and repairs are becoming more and more prevalent. The last time many customers had a repair call was 10 – 15 years ago (\$10 - \$15 house call – no tax). You could get something fixed for \$50 - \$75 dollars, nowadays with \$60-\$80 plus tax house calls, expensive parts and labor, most service calls run \$150 - \$200 dollars per visit. Also, today – these service companies hire CPA's to figure out how much their technicians need to drag out of every stop in order to remain profitable. Most products have a hot button that you as a salesperson can use to better illustrate the need for an SMA protection.

A/C's – Need for yearly maintenance – Unit always need Freon, sometimes don't cool as good as they did when new. Need for immediate service when unit goes out.

Laundry – Hardest working appliance in your home – A full laundry load weighs @ 300lbs, and is spinning at 60 mph. The average washer does this at least 5 – 7 times per week. Also talk about electric igniter with gas dryer.

Freezers – Most customers cannot fix this themselves, nor can they buy freon at the parts house. When your freezer goes out, customers require immediate service not when it is financially convenient. We also cover \$250 worth of food loss.

Refrigerators – Same as above, except \$125 food loss! Also the water in this part of the U.S. is not conducive for a long icemaker and dispenser life. Most refrigerators will have service within 5 years on icemakers and dispensers.



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Ranges - #1 service problem on ranges is gas igniters and gas ranges have three of them. Replacements of electric burners are covered. We will also go out and recalibrate all thermostats that are not allowing the oven to bake at the proper temperatures.

Microwaves – The cost of a 5-year warranty is only \$109.95. This is much cheaper than replacing the new microwave every time it breaks. A microwave will cost too much to fix, SMA's will keep you from having to buy a new one.

Vent Hoods – The cost of a 5-year SMA is \$49.95, same presentation as above.

Built-ins – These units are attached to your home, and you can't really bring these units in to have them serviced.

HTIB – A bargain at \$159.95 for 5 years. This SMA will cover receiver, Sub-woofer, all speakers and remotes, some times up to 10 items for 1 price. Also, power surges, and lightning strikes.

Portable TV's – You can cover a portable for \$59.95 for 4 years. This is much cheaper than replacing that TV when it breaks and 4 years is much better than the 90 days the manufacture offers.

Tabletops TV's – Always emphasize that TV's are much more technical than they use to be – most functions are controlled by small on-board computer modules which are very expensive to replace. Also, electronic labor is expensive. Many \$400 to \$500 TV's can cost \$200 to fix once. Also remind the customer that power surges and lightning are covered with SMA's.

Widescreens – These products should always be under warranty. So many parts on a widescreen are very expensive (for ex. If one color gun goes out you should replace all three to keep from one color being too dominant. This repair alone can cost @ \$1500). Also power surges, lightning, remote controls are all covered with SMA's.

VCR's/Camcorders – There is **no way** your customers cannot get their moneys worth out of a VCR/Camcorder warranty! **NO POSSIBLE WAY!** 1 head cleaning per year will more than cover the cost of a 5-year warranty – but anything is better than 90 days supplied by manufacturer. Video products are the #1 item we service. All video products will require some shop time; trouble prone battery chargers are also covered.

Satellites & Computers – These are products that can be extremely expensive to repair or replace. Many times these products can cost thousands of dollars and only have a 90-day warranty from manufacture.

ALL OF THESE WARRANTIES ARE 100% PARTS AND LABOR, MANY ALSO COVER IN HOME CALLS AS WELL. Factory-trained technicians perform the work, usually the same day or next day.

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If, at this point, the customer doesn't want the protection – make them “live” the service call before they tell you no. This is done by “painting a picture” in the customers mind, calling up that sickly feeling we all get in the pit of our stomachs when something goes wrong.

“Mrs. Jones, imagine how you'll feel when you come down one morning and you open the refrigerator and everything is defrosted or you click on the bigscreen and “POOF”, everything goes blank? How are you going to feel then, Mrs. Jones, “But you won't feel that way if you have the full coverage, will you Mrs. Jones? Why don't you let me put this protection on there for you, Mrs. Jones?”

If the customer still says no, there may be some objections, which you still have not answered. Listed below are some common objections and the way to overcome them.

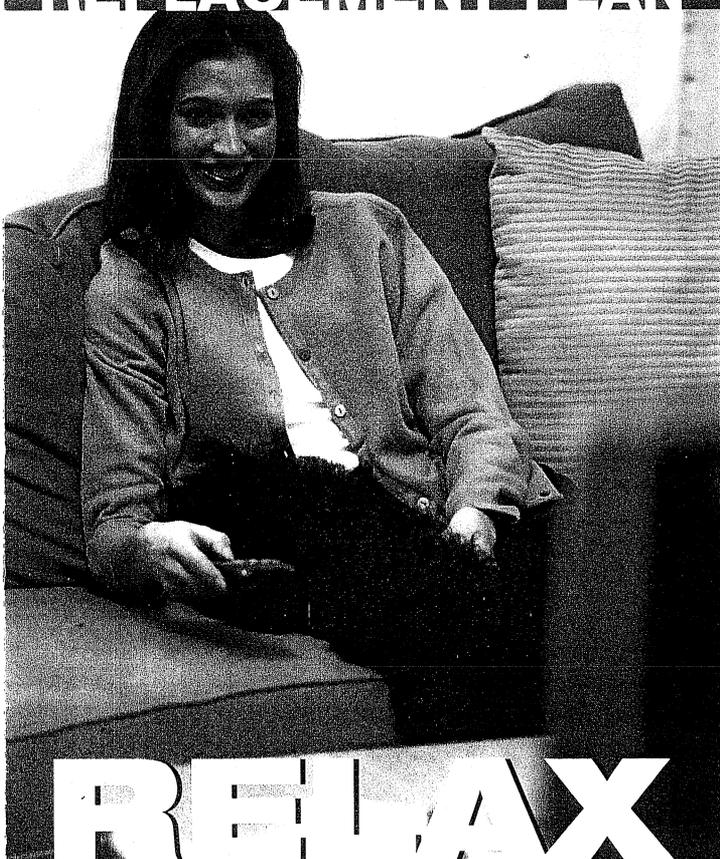
1. **I don't believe in warranties!** – I and many people who have never bought warranties are starting to buy warranties due to how expensive service is these days and we here at Conn's have recently reduced the price of our SMA's to make it easier for customers who feel like you do, to be protected against high repair bills.
2. **My old one never broke!** – Many manufacturers have changed the way they manufacture products to keep manufacturing cost down. The prices of most appliances have not gone up much in 15 years and electronics have come down, but manufacturing costs have gone up! So most manufactures use cheaper parts and components to keep cost down. Sad, but true – most products are not as reliable as they were 15 years ago, also repair bills are much higher now. What will repairs cost 5 years from now?
3. **My brother can fix it!** – Yes, but he may be too busy, or you may not want to impose on his time. Also you may still have to pay for parts, which are expensive. Instead of letting him work on it when the product gets old, wouldn't it be better to have factory service on it while it's new?
4. **I'm on a budget/fixed income!** – This type of customer needs warranty because products never break at a convenient time. They always break right after you've just gotten back from vacation, blown your paycheck on school clothes, etc.
5. **I've had warranty before and never had to use it / or it didn't cover what broke!** – Many warranties don't cover everything but Conn's warranties cover everything (100% parts, labor, house calls, maintenance – everything!). I hope you won't ever have to use this warranty, but we both know that it's getting more likely every day.
6. **I want to wait and get it later!** – Yes and you can do that, however we give you a 50% discount to buy it now. The same coverage will cost twice as much later, but the price could also rise later on, it won't do that if you buy it now! Also you won't have me to talk you through and explain it when you get that notice in the mail.

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7. *I've had problems with your service dept!* – The only way I get paid is for you to buy something from me and if you aren't happy with my service it cost me money. Purchase this warranty from me and let me go to bat for you and ensure that you will get A-1 service.
8. *I can afford to pay for the repairs when I need them!* – One thing Mr. Conn told me is that he always buys warranties because that way he doesn't have to worry that repairmen will jack-up the rates because they know he has money.
9. *Multiple Items!* – Pick out the item or items that are most likely to need service and hammer in the need to at least cover those items.

IF YOU PRESENT THE WARRANTY IN THESE WAYS AND LEARN HOW TO OVERCOME THE COMMON OBJECTIONS – YOU WILL HAVE NO PROBLEM SELLING OVER 10% SMA. YOU WILL MAXIMIZE YOUR INCOME, AND ALL OF YOUR CUSTOMERS WILL BE PROTECTED.

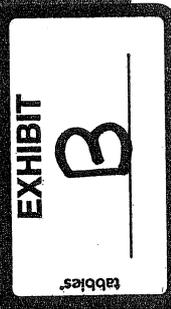
REPLACEMENT PLAN



**If your product fails,
we'll replace it.***

*Exclusions and limitations apply.

**For most products
under \$500**



Appliances • TVs • Electronics • Computers

RECEIVE TWO FULL YEARS OF PROTECTION!



Appliances • TVs • Electronics • Computers



Your product comes with a great manufacturer's warranty. But what happens after it expires and the product fails? The cost of a new one comes right out of your pocket.

There's a better way. Take advantage of our Replacement Plan now. It will protect you for two full years from the date you purchased your product.

Have a Problem with your Product? Get a Replacement or Your Money Back.

The Conn's Replacement Plan is true to its name. If your product has a covered failure* while the plan is in effect, just carry it in to any Conn's store with your receipt and you'll be issued a comparable replacement product. Or you can ship the product to our National Return Center; and in about two weeks, you'll receive a two-party check for the original product purchase price. Use your check to buy a new product at Conn's. You may also contact us at www.theserviceport.com to initiate your replacement.

Pay a Little Now for A Lot.

The plan starts at just \$4.99 for some products under \$50. Get the same great protection for higher-priced products, too. It costs just a little more. See the back of this brochure for details.

No Hassles. No Surprises.

There are no deductibles, prorating or hidden charges. If your product fails for any covered reason, you'll get a replacement*. No questions asked.

The Ultimate Protection: A Rated Insurance.

Your plan is underwritten by a company rated A (Excellent) by A.M. Best. You'll always know your plan will be there for you, when you need it most.

*See your Conn's Replacement Plan Terms & Conditions for details, exclusions and limitations apply.

Most Products Under \$500 Qualify.

APPLIANCES

Small Appliances

Mini Fridge/Freezer
Countertop Microwave
Food Processor
Hand/Stand Mixer
Garbage Disposal
Juicer
Blender
Fryer
Grinder
Coffee/Espresso Machine
Rice Cooker/Steamer
Toaster/Toaster Oven

Rotisserie
Slow Cooker
Griddles/Indoor Grill

Household Appliances

Canister/Handheld/
Upright Vacuum
Sewing Machine
Iron
Clothes Steamer
Cooling/Heating
Air Purifier
Portable Heater
Humidifier/Dehumidifier

COMPUTERS, PERIPHERALS & COPIERS

LCD Monitor
Dot Matrix Printer
Laser Printer
Copier

CRT Monitor
Ink Jet Printer
Multi Function Machine

CONSUMER ELECTRONICS

Small Electronics

WEB TV
Portable CD/Mini-Disc
PDA
Boombox
Shelf Audio System
Televisions*
Up to 24"
TV/VCR Combo
TV/DVD Combo

Audio Components

CD Player
Receiver
Tape Player
Speakers

Video Components

VCR
DVD
DVD/VCR Combo
DSS

Phones

Cellular
Corded
Cordless

Cameras

Camera/Still-Analog
Camera/Still-Digital
Camcorder/Analog

*Does not include LCD Televisions.

**Not sure if your product qualifies?
Ask your Sales Associate!**

2 YEAR PLAN PRICING

APPLIANCES

<u>Product Price Range</u>	<u>2 Year Plan Price</u>	<u>SKU</u>
\$0-49.99	\$4.99	2APP49
\$50-99.99	\$12.99	2APP99
\$100-149.99	\$18.99	2APP149
\$150-199.99	\$22.95	2APP199
\$200-299.99	\$37.99	2APP299
\$300-399.99	\$52.95	2APP399
\$400-499.99	\$67.99	2APP499

COMPUTERS, PERIPHERALS & COPIERS

<u>Product Price Range</u>	<u>2 Year Plan Price</u>	<u>SKU</u>
\$0-49.99	\$9.99	2COMP49
\$50-99.99	\$16.99	2COMP99
\$100-149.99	\$24.99	2COMP149
\$150-199.99	\$34.99	2COMP199
\$200-299.99	\$43.99	2COMP299
\$300-399.99	\$56.99	2COMP399
\$400-499.99	\$69.99	2COMP499

CONSUMER ELECTRONICS

<u>Product Price Range</u>	<u>2 Year Plan Price</u>	<u>SKU</u>
\$0-49.99	\$6.99	2CE49
\$50-99.99	\$13.99	2CE99
\$100-149.99	\$19.99	2CE149
\$150-199.99	\$24.99	2CE199
\$200-299.99	\$36.99	2CE299
\$300-399.99	\$49.99	2CE399
\$400-499.99	\$59.99	2CE499

Call

1-800-377-3907

or initiate online at

www.theserviceport.com



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Furniture
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Mattresses**

**AWARD
WINNING
SERVICE**

March 13, 2009

RE: Terms and Conditions Service Agreements

Dear,

Thank you for your recent purchase(s) and congratulations on your decision to protect the products detailed below with a Conn's Service Agreement:

Invoice Number	Model Number	Product Description	Coverage Type	Expiration Date
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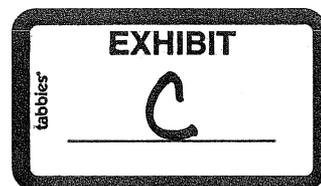
We have attached for your records a copy of the terms and conditions for each of the coverage types detailed above. Please retain this information for your reference.

As a valued customer, use the enclosed coupon and take \$50 Off your future purchase \$299 & up when you use Conn's credit.

If you have any questions, contact us at 1-800-280-1514.

Sincerely,

Conn's Customer Service Department



APPLY FOR CREDIT ON-LINE AT CONNS.COM OR CALL TOLL FREE 1-877-472-5422

Service Maintenance Agreement (SMA)

Feature	Benefit
No deductible required	No out-of-pocket expenses for repair
Covers most parts and labor	Factory-trained technicians with a huge inventory of parts
Power surge protection	Covers replacement of products affected by power surges
Food spoilage protection	Covers reimbursement for food, \$150 for refrigerators & \$250 for freezers
In-home service	No trip fee
Transferable	You'll be able to sell your product quickly and for more money

SMA Selling Method

Greet	Qualify	Demonstrate	Overcome Objections	Close/FO
	Why, What, Who, Where, How			

Qualifying Questions

- "Are you familiar with our SMA program?"
- "Why are you replacing/upgrading your product?"
- "Have you ever had a product that was in need of repair outside of warranty?"

Planting the seed:

- "We offer up to 48 months that will cover you for parts and labor, including cost of in-home service."
- "While we hope that the product doesn't fail, it's likely that you might need some sort of service."
- "There are no out-of-pocket fees if the product is covered with the SMA."

SMA Objection Handling

Objection	Response
"I know someone who can repair it."	"He or she may not be able to get the parts and most products require special tools to repair."
"Consumer Reports says warranties are a waste of money."	"Consumer Reports cannot predict that something will not break."
"This is one of the best brands, why do I need a SMA?"	"There are no guarantees that you will not need some sort of service; even Mercedes and BMW have service departments."
"I have to think about it/ask my spouse."	"If you are not completely satisfied, you may cancel at any time."

Five steps to closing the sale:

1. **Greet** – Welcome them; learn and use their name; introduce yourself.
2. **Qualify** – What are they buying today; are they going to finance; replacing an old/broken product or upgrading; what features are they looking for in a new product? Remember to plant the seed for credit insurance and SMA/RPP.
3. **Demonstrate** – Show how the product fits their needs; new features.
4. **Overcome Objections** – Find the real reason they're objecting and overcome with truthful product information.
5. **Close** – Sell the CI and SMA, or bring in the Sales Manager.

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PP22426-0608
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Associate Quick Reference Guide

Replacement Protection Program (RPP)

Feature	Benefit
Covers replacement of qualified products \$500 or less	Replacement with new, unused product
Quick and easy process	Immediate replacement once the defective product is brought in
Can purchase a new RPP on the replacement	Replacement covered as well
Affordable	It costs less to buy the RPP than to buy another product

RPP Selling Method

Greet	Qualify	Demonstrate	Overcome Objections	Close/FO
	Why, What, Who, Where, How			

Qualifying Questions

- "Are you familiar with our RPP program?"
- "The RPP process is quick and easy; please allow me to tell you about it."
- "Wouldn't you rather get a brand new product vs. repairing the old one?"

Planting the seed:

- "We offer a 24 month RPP that will replace your product if it malfunctions or stops working on its own."
- "The RPP program is very easy to use and affordable."
- "I strongly recommend purchasing the RPP."

RPP Objection Handling

Objection	Response
"I can just buy another one if it breaks."	"Let us buy your new product for you so you don't have to."
"I'm purchasing this as a gift for someone."	"RPP is transferable; the recipient can benefit from the RPP."

tabbies®

EXHIBIT

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Selling Tips

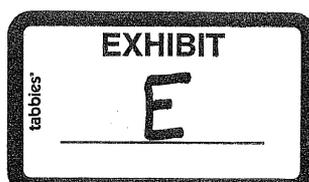
Advantages of Renewing Three Years

- Prices increase each year the product ages. By renewing three years you are locking in at this years rate plus a discount (if product qualifies for discount).
- Only give a 20% discount to customers for three years policies. Explain to the customer that you can only give our maximum discount on three years.
- Explain to customer that by renewing three years they don't have to worry about renewing their product for thee years versus one year.
- Give customer the break down of the prices.
 - 1 yr cost \$150.00
 - 2yr cost \$292.50
 - 3yr cost \$435.00 (3 year averages 145.00 per year not including discount)

*Always Ask Why not buying and What will help them to buy

*Create a sense of urgency

*Don't be afraid of rejection



OVERCOMING OBJECTIONS

OBJECTION	REBUTIAL
<p>"Extended warranty doesn't fit into my budget." "I cannot afford the warranty."</p>	<p>Before you decide that this service plan is something you no longer can afford, consider that if you need to make a major repair to your product this plan will pay for itself. One part can cost over \$300.00 on some products. This does not include labor and trip fees. With the extended warranty, you will be protected from costly repair bills and out of pocket replacement.</p> <p>We offer several different payment options. Im sure we have one that will accommodate you and your budget. We can post date a check by phone and have it split in three payments. We accept credit card by phone or you can open a revolving account and make monthly payments. Now how do you want to pay for the coverage?</p>
<p>"Extended warranty cost too much compared to what I bought."</p>	<p>Today's manufacturing methods have made it possible to produce high-tech products for less than what they may have cost several years ago. However, because of complex technology repairs are more difficult, and service costs continue to increase. This plan not only covers repairs, but also replacement of your product if we are unable to repair it.</p>
<p>"I don't buy over the phone."</p>	<p>You may want to make an exception to the rule this time so that you can take advantage of our offer. If you renew by phone today you can save up to 10% off your renewal. If you feel more comfortable giving my manager your credit card or check info I can have them come speak with you.</p>
<p>"My spouse or friend handles my repairs."</p>	<p>That's great since it does save you on the cost of labor. However, our extended warranty also pays for parts on any covered repair. This warranty will even pay the cost of replacing your product, which would really help you if run into a situation where you cannot fix your product.</p>
<p>"If it breaks I'll just buy a new one."</p>	<p>Even if you did buy a new product you might spend a lot of money and still have a limited short-term warranty. By extending your protection, we are responsible for repairing your product. If it cannot be repaired, we will replace it for you. Wouldn't it be easier to renew your extended coverage rather than buying a new unit just for a small repair?</p>
<p>" I bought an extended warranty on another product and never used it."</p>	<p>I understand how you feel, but as you know good performance on one product is not a guarantee that you'll never need service on this one. With this extended warranty, we will restore your product to normal operating condition if it becomes inoperable during the term of your coverage.</p>
<p>" I need to speak with my spouse."</p>	<p>I understand the need to discuss financial decisions with your spouse, however it may be easier to discuss all the benefits of our service plan with the agreement in hand, which can't be sent until you renew.</p>
<p>" Can you just send me some information? "</p>	<p>The best information we can send you is the actual Service Contract, and by renewing today by phone you can qualify for up to 10% off. If you renew your warranty today you will receive your new contract in a few days to keep for your records.</p>

CONNIS 000348

Working Leads

1. **Step One (researching Leads)**
 - a. Highlight all Revolving accounts and IMA's
 - b. Look up IMA warranties and see how they paid last year
 - c. Highlight all packages RMA and IMA.
 - d. Look up to see if customers have a revolving account. (Even though the computer prints the rc number on your leads, there are a lot of customers that will have an rc account and will not be printed on your leads)

2. **Step Two (working leads)**
 - a. Call all Revolving accounts first
 - b. Call all packages next
 - c. Call customers who have renewed before.
 - d. Use codes and dates when your try to call a customer.

SI -Sent Information/Mail
CB -Call back
LMTCB -Left message to call back
AM -Answer machine
DIS -Disconnected number
W#/WP -Wrong number/Wrong party
NI -Not interested
CWCB -Customer will call back
NA -No answer
DCB -Don't call back (for rude customers)
WTW -Wants to wait
DO -Doesn't Own
LMOR -Left Message On Recorder
NH -Not home

3. **Step Three (sending mail)**
 - a. Send mail to all customers who request mail.
 - b. Send mail to all customers who renewed last year.
 - c. Do not work on any mail between the hours of 5 and 8, spend this time for calling customers only.

4. **Step Four (follow ups)**
 - a. Call all customers that you sent mail to in your leads.
 - b. Only call the same customer twice after that send them some mail to look at if you can't close them on the phone.
 - c. Call customers who you couldn't get in contact with on previous days:
 - d. Call back your no's or have someone else call them back.