

DEALER PRINCIPAL

Grow Your People to Grow Your Business

Economy-proof your PVR

Defending Against **Cyber Attacks**

Take our **Safeguards Rule
Compliance** Self-Assessment

Are you keeping up with
Digital Retailing?

Exploring the
Transition to Solar



Editor's Letter

Dear Leader,

Making people-development a priority can get lost in the pressures and budgets of everyday business but investing in employee development can pay off with a more engaged workforce and a stronger bottom line. Our article *Grow Your People to Grow Your Business*, shares why attracting and retaining high-performing people is a top business strategy.

Our article, *Defending Against Cyber Attacks*, explores the cyber risk landscape for auto dealers in 2023, revealing emerging cyber schemes, and offering guidance on how dealers can protect their operations against cyber attacks.

If economy-proofing your PVR is on your mind, our story looks at recent market trends and offers strategies you can use to protect your dealership from economic volatility. And we explore the transition to Solar energy, sharing insights on the top considerations you can use to help mitigate solar-related risks.

In this issue, we also showcase our F&I Underwriting team. With a combined 154 years of industry experience, Zurich's F&I Underwriting team delivers tremendous value for our customers and our business. Get to know the team!

You'll find these articles and much more in this issue. Enjoy!

Regards,



Vince Santivasi
Head of Direct Markets
Zurich North America



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The F&I Underwriting Team



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Getting to know F&I Underwriting

A key part of Zurich's Direct Markets strength comes from leveraging the deep knowledge and expertise of its F&I Underwriting team. With a combined 154 years of industry experience, the F&I Underwriting team plays a pivotal role in managing the profitability of Direct Markets F&I accounts.

Located in Overland Park, Kansas, the team, led by Kathi Ingham, Head of F&I, leverages skills developed from experience in a variety of capacities within dealerships and Zurich, including dealer administration, fixed operations, automotive service management, marketing, product development, VSC claims and customer service.

F&I Underwriting works in collaboration with the Direct Markets sales staff and other stakeholders to ensure the acquisition and retention of F&I business with a focus on driving maximum profitability for both Zurich and our customers that participate in the underwriting profits their F&I business generates. The team has responsibility to:

- Manage and protect profitability. The team's priority and greatest responsibility is to manage the profitability of all F&I accounts.
 - More than 85% of Zurich's F&I business is reinsured by our auto dealer customer. Our underwriting team manages the profitability for this segment as well.
 - Analyze data to monitor account profitability, making account specific recommendations to improve profitability and increase product density.

- Prepare content and participate as subject matter experts in account profitability reviews.
- Prepare, analyze, and distribute information focused on F&I production, key mix of business components, and dealership service retention.
- Assist field staff with new account acquisition.
- Support new account setup and ongoing account maintenance.
- Assist our product development team in our efforts to meet the ever-changing automotive environment.

Company Awards and Recognition

- Zurich awarded highest ESG rating from MSCI
- Environmental Finance names Zurich Re/insurer of the Year
- Zurich ranks among Fortune's World's Most Admired Companies 2022
- Bloomberg Gender Equality Index 2022 includes Zurich
- Zurich North America named to 2 of Seramount's 2022 100 Best Companies Lists
- Military Times names Zurich to Best Employers for Vets 2022.
- Forbes names Zurich to Best Employers for Diversity 2022
- Forbes Best Employers for Women 2022 includes Zurich

1. "Corporate Sustainability Assessment 2022." S&P Global. February 2022.
2. Rating as of March 1, 2023. A.M. Best and Standard & Poor's financial strength ratings are under continuous review and subject to change and/or affirmation. For the latest Best's Ratings and Best's Company Reports (which include Best's Ratings), visit the A.M. Best website at www.ambest.com. The rating represents the overall financial status of the individual member companies of Zurich in North America, including Zurich American Insurance Company, and is not a recommendation of the specific policy provisions, rates or practices of each issuing insurance company.
3. Zurich North America Transactional Net Promoter Score (Q4 2021): 82. Insurance industry TNPS average: 36. Source: Medallia.
4. Combination of employee giving, corporate matching (supported by the Z Zurich Foundation) and Zurich North America corporate grants 2012-2021

Grow Your People to Grow Your Business

Making people-development a priority can get lost in the pressures and demands of everyday business. But investing in your employees' growth and learning can pay off with a more engaged workforce, retention of your top talent, and a stronger bottom line.

Attracting and retaining high-performing people is not just a good business strategy - it may be the top business strategy.

Consider these facts:

- Total people costs are typically 70 percent of a company's operating expenses, so maximizing these assets is important for long-term organizational performance.¹
- Top talent is up to eight times more productive than average performers.²
- Companies with happy employees outperform the competition by 20 percent.³
- 70% of employees report that they don't have mastery of the skills needed to do their jobs.⁴
- 47% of Harvard Business' *How We Learn* survey participants said they are dissatisfied with their employer's learning and development programs.⁵

Investing in People: The Benefits Add Up

Attracting and keeping great employees is one of the top benefits of creating people development programs because the cost of losing and replacing a highly valued employee is significant. The Society for Human Resource Management estimates that it costs an average of six to nine months' salary to replace an employee. If the position requires intense information knowledge or customer interaction skills, then it can be damaging to the company's productivity when that person leaves.

Employee retention can be a significant challenge and expense for your dealership. People who receive professional education and development tend to be more loyal and less likely to seek other employment opportunities. People development is also a benefit that is attractive to new employees and can help establish your reputation as a great employer because you care enough to invest in your employees. Attracting people who want to improve their skills will also help build your business. As your people grow, so will your business.

"One of the biggest shifts over the last decade is how people not only want, but expect, their employer to be investing in their growth," said Tracy Lampert, Head of Learning, Employee Experience and Culture at Zurich North America. "People are choosing to join or stay with a company because of its culture of growth and learning. Millennials in particular want a strong connection to their workplace through management that supports their individual career path."



“At Zurich, we’ve found that it pays to give people the time and space to speak openly about their career goals,” explained Tracy. “We encourage people to consider themselves ‘CEOs of their own career.’ Our managers prioritize having conversations with their people about their goals and interests.”

Without a strong culture grounded in individual growth and development, you could find yourself losing recruiting and retention battles.

More secure leadership and succession planning.

People development programs require that you always have an eye on the future. What kind of leaders do I need? What do customers want from my people? Who can succeed the present leadership when the time comes? People development programs result in employees who are ready to advance to roles with more or different responsibilities because their strengths and weaknesses have been addressed.

Preparing for shifting customer demands and aligning your talent strategy is a clear benefit of having a people development program.

Q1

Set objectives with each employee and determine skill-building needs.

Q2

Schedule a career development conversation and review quarterly progress on objectives and skill development.

Q3

Provide structured feedback with the employee on progress toward meeting objectives and identify areas that may need extra attention.

Q4

Deliver a performance assessment using qualitative and quantitative metrics (e.g., customer feedback, sales goals, etc.).



Beyond attracting and retaining employees, there are other business-building benefits that your organization can experience from investing in people:

- **Higher customer engagement.** People who participate in development programs are more likely to be satisfied with their job, engaged in the company, and have a positive employee experience. Since people are the face of your organization, customers that interact with more satisfied employees are likely to have a more positive experience. This, in turn, leads to higher customer engagement.
- **Stronger culture.** Investing in people development can also improve your company culture. Employees want to learn, develop their careers, and be happy going to work every day.

Grow Your People *Continued*

Implement Different Training Approaches

Once you've established the performance and skill objectives for each employee's individual development plan, there should be a training component to meet these goals. The right choice of training for your employees will depend on content, schedule, and budget.

In-house training

One of the simplest and most economical approaches to training is to have your employees coach each other. Who better to instruct either new employees or those moving into a new role than someone who knows your company, process, and customers? In-house training can take the form of brown-bag lunches, a mentoring program, or one-on-one training to explain a new process or program. An added benefit is the trainer's development of leadership skills.

Online training

Thanks to today's sophisticated interactive web interfaces, online training can be a highly engaging method to access knowledge across a wide range of subjects, including management and technology. Online training is also flexible, allowing people to schedule the training session around other commitments. Once you and an employee agree online training is the right approach, honor the time commitment the employee will need to put in during the workweek.

Zurich's online learning and development platform, Zurich University, provides dealership employees interactive training on a variety of topics including F&I sales presentation, objection handling, compliance, harassment, and discrimination, and more.

Virtual training

Communication platforms that offer videoconferencing, file storage and sharing, and workspace chat functionality have made virtual training standard practice for groups small and large. These platforms are cost effective and the multi-user format that allows for interactive and engaging.

Zurich's training for the fixed operations team, for example, is conducted in a virtual setting and offers both topic-specific training as well as certification programs, helping service advisors of all levels to develop knowledge and proficiency in important job skills.

Industry associations

Many industry associations provide training for their members, either online or through seminars, conferences, or other events. One of the advantages of this training option is that the content is specialized and targeted to your business and customer needs. It's also an excellent way for people to stay current with industry trends.

External training programs

Professional training organizations sponsor training events open to employees from different companies or even industries. The cost per employee may be less than individual training programs and offers a unique opportunity for networking. Make sure the training content is directly applicable to the employee's learning objectives.

Zurich offers Regional F&I Training seminars and workshops throughout the year in each region across the country. The training is designed for dealership management and their F&I teams. Attendees build stronger sales presentation skills, discover ways to integrate technology into the sales process, broaden their knowledge of compliance and regulatory requirements, and strengthen their ability to deliver improved results and an optimal customer experience.

On-site training

Contracting with a training organization to come to your dealership provides a customized experience for your employees. Investing in a high-quality half-day or full-day on-site training session demonstrates to your people how much value you place on developing their knowledge and skills.



Connect Your People to Your Purpose

Regardless of the employee job title or which training approach is implemented, people development always needs to be grounded in your dealership's vision and values. When your people understand the vision, they can see more clearly the contribution they can make to achieve it.

"People want to feel like they are making a difference to the organization," said Tracy. "The biggest ROI from people development is that you are growing more productive contributors, and that results in happier customers, which leads to a healthier bottom line."

1. Jeanetta, Anthony. "8 Benefits of Investing in Your Human Capital Development." The Olson Group. 27 January 2017. <https://theolsongroup.com>.
2. Keller, Scott, and Mary Meaney. "Attracting and retaining the right talent." McKinsey Quarterly. April 2017.
3. Siu, Eric. "It Really Pays to Have A Rich Company Culture." Entrepreneur. 21 October 2014. <https://www.entrepreneur.com>.
4. Harvard Business Publishing Corporate Learning Survey: How the Workforce Learns, 2019. <https://hbr.org/2019/10/where-companies-go-wrong-with-learning-and-development>
5. Harvard Business Publishing Corporate Learning 2019 Survey: How the Workforce Learns; <https://www.forbes.com/sites/chriswest-fall/2019/10/08/new-survey-workers-unsatisfied-with-learning-and-development-programs-training-leadership>

Results Driven by Zurich



The Zurich Advantage program.

Backed by the strength of a global organization, we embrace the opportunity to inspire the growth and success of our dealer customers. We are focused on driving technology and services that can keep your business evolving and thriving in a dynamic industry.

Bring Zurich's innovation to your dealership.

Visit www.zurichna.com/automotive.



Economy-proof your PVR



New car prices continue to rise in 2023 and are expected to remain high due to persistent global supply chain issues, chip shortages, and inflation-related costs. According to J.D. Power, the average price paid for a new vehicle in the U.S. increased 4.2% year-over-year in January 2023. At the same time, higher-priced fuel, banking and financial market concerns, and elevated interest rates are putting a tighter squeeze on consumers' purchase power, affecting auto sales.

The lack of new vehicles has increased demand for used cars with average prices tracking around 30% of pre-pandemic levels.¹ However, demand for both new and used cars has dropped dramatically as a result of record-high sticker prices, higher interest rates, and a reduction in trade-in values. And fewer new vehicles on the road mean there are fewer vehicles to trade in, reducing used car inventories. J.D. Power also expects prices to decline by roughly 10% for used cars and by 2.5% to 5% for new cars in 2023. These headwinds will undoubtedly affect your bottom line. What are you doing today to counteract these economic pressures?



Act now to protect against economic volatility

Taking steps now to economy-proof your PVR can help you protect what you've built and insulate your dealership from economic factors affecting the profitability of both new and used auto sales.

You can combat volatility by:

- **Offering protection products that provide true consumer value**
By offering a select array of financial services and protection products to your customers, you can help them manage the unexpected during life's turbulent times so they can better maintain a budget.
- **Developing a process-driven mindset within the dealership**
A process used inconsistently is not a process. The F&I process has a direct impact on the customer experience. Economy-proofing your PVR requires a checks and balances system that ensures team accountability to dealership procedures. This creates a customer-centric dealership culture that consumers desire.
- **Partnering with companies committed to protecting your current profits and identifying new opportunities**
The right company should possess financial strength, subject matter expertise, proven systems and processes, and a robust local and national presence of highly trained team members capable of supporting your specific vision.
- **Consistently investing in your team through focused in-store training and development**
Equipping your managers with the resources and expertise to coach and train for higher performance is essential to increasing profits within the dealership. For example:
 - Routine one-on-one coaching sessions between managers and sales consultants, Recurring training sessions in areas such as how to establish a great first impression, qualify a customer for a proper vehicle selection, execute a compelling vehicle presentation and demonstration, and conduct a professional turn-over, just to name a few.
 - Additionally, encourage your F&I team members to fully engage at each step of the process. This includes sales support in meetings, and customizing F&I menus so they offer all applicable financial services products to every client regardless of transaction type to improve F&I profits.

Economy-proofing your PVR requires the right products, mindset, partners, training, and personnel growth. Zurich can help you protect what you've built.

Defending Against Cyber Attacks What to Expect in 2023

By David Shluger, Vice President Cyber Risk Engineering
Zurich Resilience Solutions

Cybercrime has become an incredibly lucrative business for threat actors and hackers. The risk picture for auto dealers in 2023 reveals emerging cyber schemes as well as the tried-and-true tactics threat actors have used for many years. Here's how to best protect your dealership and defend against cyber attacks.

The major risks we saw in 2022



1 Business Email Compromise: Cybercrime in which a scammer uses email to trick someone into sending money or divulging confidential company information.

Recent attack: A financial services firm confirmed that the company experienced a data breach after an unauthorized party gained access to sensitive consumer data contained on their network through an email-based cyber attack.

Fifteen percent of car dealers have experienced a cyber security incident in the past year. Of those impacted, 85% of the occurrences were due to sophisticated phishing attempts concealed as legitimate emails that resulted in data breaches, IT-related business interruptions, and loss of revenue.

Source: <https://www.jdsupra.com/legalnews/acorn-financial-services-reports-data-5996771/>



2 Ransomware: Malicious software that encrypts data and systems, holding them hostage for ransom.

Recent attack: A classic ransomware attack was perpetrated on an automotive group in Florida in 2022 which ultimately cost the dealership an estimated \$500K including 250 new computers, consulting services of external security response experts, and upgraded security software.

Ransomware is among the most lucrative hacking tactics and will likely remain one of the greatest threats to dealerships of every size for the foreseeable future.



3 Third Party Impacts: A supplier, vendor, customer, or other “trusted” third party falls victim to a cyber incident and it has downstream impacts.

Recent attack: In February 2022, a major OEM announced that it was forced to stop car production operations after a major supplier suffered a data breach.

In October 2022, the OEM's customers suffered another data breach after a contractor developing the brand's official connectivity app left a repository containing client data publicly exposed.

Source: <https://www.bleepingcomputer.com/news/security/toyota-halts-production-after-reported-cyberattack-on-supplier/>



Trends and predictions for the 2023 risk picture

Crime-as-a-Service

The cost of global cybercrime has been estimated by market and consumer data company, Statista, to reach \$10.5 trillion by 2025. This is supported by blockchain analysis firm, Chainalysis, reporting that cybercriminals have stolen more than \$3 billion in crypto-based cyber attacks between January and October of 2022 alone.

Third-Party Risks

With the advent of cloud migration, companies are increasingly incorporating third-party software solutions into their infrastructure. Many cyber security professionals are wary of the risks incurred by this decision, and more than a third (36 percent) of those reporting to Cyber Security Hub say that supply chain/third-party risks are a top threat to their organization's cyber security.

Human error

With the advent of cloud migration, companies are increasingly incorporating third-party software solutions into their infrastructure. Many cyber security professionals are wary of the risks incurred by this decision, and more than a third (36 percent) of those reporting to Cyber Security Hub say that supply chain/third-party risks are a top threat to their organization's cyber security.

Human error is predicted to remain a major factor in cyber security threats for 2023. In 2022, research by the World Economic Forum found that 95 percent of cyber security issues could be

traced back to human error. Likewise, almost a third of cyber security professionals (30 percent) told Cyber Security Hub that lack of cyber security expertise was the number one threat to cyber security at their organization. The types of human errors in cyber security can be categorized into skill-based and decision-based errors.

- Skill-based errors are generally minor errors that occur while carrying out a daily task.
- Decision-based errors result from a lack of knowledge, skills, and information about a specific circumstance.
- Unauthorized access to a computer or an account can give another user straight access to confidential information. Physical security errors often take place when a device is left unattended.



Defending against cyber attacks *Continued*

How can you defend your dealership?

Top 10 Cybersecurity Controls of 2023

1. Encryption

A data-centric security strategy focuses on protecting data at rest, in transit, and in use, protecting your data when it's on your network, sent anywhere within your network, or outside your company. This strategy encompasses elements of data discovery, access management, data protection, loss prevention, data governance, and compliance.

2. Connected devices

Cyber security for operational technology (OT) and Internet of Things (IoT) is a field of study and practice to prevent the unauthorized access, manipulation, and disruption of OT and IoT devices/platforms. Cyber security programs for OT and IoT are commonly independent from IT cyber security programs, but many controls and objectives overlap.

These devices can be very tough to protect because they were never designed to be networked. The most common solution for connected devices is segmentation of your network.

3. SOC monitoring

A Security Operations Center (SOC) is a centralized function provided to an organization that employs people, processes, and technology to continuously monitor and improve an organization's security posture while preventing, detecting, analyzing, and responding to cyber security incidents. This function, especially those under-resourced, can be enhanced and achieve a higher level of effectiveness with the addition of artificial intelligence (AI).

4. Risk Management

Governance, Risk, and Compliance (GRC) is a structured way to align IT with business goals while managing risks and meeting all industry and government regulations. It includes tools and processes to unify an organization's governance and risk management functions with technological innovation and adoption. Companies use GRC to achieve organizational goals reliably, remove uncertainty, and meet compliance requirements.

5. Security and Awareness Training

Humans are the weakest link in any cyber security program. The purpose of security awareness and training is to educate users on how to identify, report, and prevent potential cyber attacks such as phishing and social engineering. A well-designed security awareness and training program uses a variety of delivery formats to create a strong security culture. These formats include, but are not limited to, mandatory training at hire and at least annually thereafter, regular phishing exercises, and periodic reminders.

6. Zero Trust

Zero Trust is a security framework requiring all users, whether on or off an organization's network, to be authenticated, authorized, and continuously validated for security configuration and posture in order to obtain and maintain access to applications and data. Zero Trust assumes that there is no traditional network edge; networks can be local, in the cloud, or follow a hybrid model.

7. Identity and Access Management

Identity and Access Management (IAM) is performed by implementing business processes, policies, and technologies to manage identities, roles, access rights, and authentication protocols. This includes those for users, administrators, third parties, etc., irrespective of location.

8. Cloud Security

Cloud security is a collection of procedures and technology designed to address external and internal threats to an organization's cloud-based resources. Organizations need cloud security as they move toward their digital transformation strategy and incorporate cloud-based tools and services as part of their infrastructure.

9. Email Security

Email security is a term for describing different procedures and techniques to protect email accounts, content, and communication against unauthorized access, data loss, or compromise. Email is often used to spread malware, spam, and phishing attacks.

Web security refers to the protective measures and protocols used to protect an organization from cyber criminals and threats that use the web channel.

10. Business Continuity and Disaster Recovery Planning

Though often used interchangeably, business continuity and disaster recovery are different processes with unique goals.

- Business Continuity (BC): Keeping critical business operations and functions running during a disaster.
- Disaster Recovery (DR): Restoring data and IT systems after a disaster.

Only by combining the two processes, along with a strong data backup strategy, can organizations comprehensively prepare for and limit the impact of a disaster.



FTC Safeguards Readiness Assessment

The FTC Safeguards Compliance deadline is June 9th. How prepared are you? Take Zurich's Safeguards Assessment to evaluate your preparedness!

- Complete the brief assessment and receive your final score along with a summary that tells you how you're doing
- If you are a Zurich customer and your assessment score indicates you need additional guidance get connected with a Zurich Cyber Risk Security specialist

Scan QR code now to begin the assessment.



Considering the wide-ranging cyber schemes and the number of controls and actions to be taken, it's hard to know where to begin to protect your dealership. Contact Zurich's team of cyber risk specialists via email at CyberRE@zurichna.com to get started.

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Exploring the Transition to Solar?

Top considerations before investing

Businesses large and small are considering investing in solar (Photovoltaic [PV] systems) to reduce their energy costs and carbon footprint. Now, with the introduction of federal investment and production tax credits for businesses that own solar technologies, solar is good for business and good for the environment. If you are exploring the possibility of a commercial solar installation, there are some important considerations to evaluate to help mitigate potential risks associated with solar systems.

The first is the type of system to suit your needs. There are two options for mounting solar panels: ground-mount and roof-mount.

Ground-Mount Solar Systems

Ground-mount systems can offer a much lower risk to facilities than roof-mount because ground-mount systems keep the energy associated with this power generation technology away from the building(s) thereby protecting essential business assets from fire, ventilation problems, drainage issues, and overheating. However, ground-mount systems require an area of the property on which they can be installed.

Roof-mount systems have become increasingly popular due to their lower profile - being installed on an existing and available surface, the roof. Roof-mounted systems, however, can present significantly greater risk. For example, a typical building roof has few sources of ignition; however, a rooftop PV system may introduce many potential fire ignition sources. In fact, PV system installation defects are a common cause of PV system fires. Roof-mount systems can also be vulnerable to overheating and weather-related risks from rain, wind, and snow.



Roof-Mount Solar Systems

If you are exploring roof-mount solar design and installation, there are several risks these systems can present, with fire perhaps the most common and costly risk to the business. Proper PV system design, installation, and operation and proper roof design and construction are necessary to reduce the likelihood of a solar panel fire, and to extend the life of the system. Assessment of these is an essential first step in planning for any transition to solar-generated technology/PV systems, including:

Roof

The condition of the roof is one of the most important factors to evaluate when planning a transition to solar. Some considerations include, but are not limited to:

- Fire - Avoid installing PV modules on roofs with wood decks, expanded or extruded polystyrene roof insulation, or EPDM (rubber) membrane roof covers. The concern is these materials may promote greater fire spread, including fire spread into the building.
- Wind - Avoid installing PV modules on roofs with mechanically fastened single-ply roof membranes. During high winds, these membranes will billow upward, causing PV modules to slip and slide. The concern is physical damage to modules or wires.
- Roof age - Avoid installing PV modules on roofs that have not been recently installed or recovered. This will hopefully avoid the expense of removing and reinstalling a PV system just to replace an aged and failing roof cover.

Contract

- Hire an experienced contractor, one who has a proven track record installing Photovoltaic Systems.
- Seek a contract with a single party to design, install, operate, monitor, and maintain your PV system. This may help to reduce questions about who to call when you need help.

Design considerations

- Comply with all applicable local codes and standards. In addition, consider the guidance of the latest editions of NFPA 1 (Fire Code) and NFPA 70 (National Electrical Code).
- Select PV system components that are listed by a nationally recognized testing laboratory, and verify they are listed for use together.
- Keep PV modules at least 4 feet away from roof penetrations such as expansion joints and roof drains. These may be points where a PV fire could spread into a building.
- Keep PV modules at least 10 feet away from skylights or smoke and heat vents that have combustible features such as plastic domes. Again, these may be points where a PV fire could spread into a building.

Installation

- Include an independent quality assurance person to verify the PV system is installed in a professional manner. For example, the person may:
 - Confirm the installed system complies with the design documents
 - Verify wiring connectors are protected from the elements while they are open
 - Identify damaged components or pinched wires and verify corrective action
 - Verify commissioning has been completed

Management

- Assign an employee to control roof access. Assign that person to escort contractors accessing roofs, especially where the contractor is not qualified to work on PV systems. Monitor contractors' activities to avoid physical damage to the PV system.
- Periodically inspect the rooftop for vegetation or debris and arrange for such materials to be removed in a timely manner.

Operation

- Have the PV contractor perform service at least annually. In addition, include inspections after severe weather events such as high winds and hailstorms.
- During the annual inspection, include a check for recalled system components and schedule timely maintenance to replace recalled components.

Emergency

- Invite your local public fire service and PV system contractor to develop a pre-fire plan for your facility and the PV system. Have the contractor introduce the fire service to your system, provide the needed documentation, and explain the operation of the fire service "module-level rapid shutdown switch" that is intended to reduce the level of DC voltage on the roof before firefighter access.

Transition to Solar *continued*

Zurich Risk Engineering specialists are an available resource should your dealership choose to install solar panels. Our team of specialists can walk through an assessment of your property, building and roof construction, discuss your plans, and offer guidance as you explore your transition to solar.

Contact Zurich Risk Engineering to learn more

By phone: 800-982-5964

By email: risk.engineering@zurichna.com



Our Risk Engineering website provides you 24-hour access to data and tools to identify, understand and help manage risks.

www.zurichna.com/en/risk



The Zurich Experience

Discover what's possible with Zurich by your side.

At Zurich we believe that doing business is much more than a transaction. It's custom-tailored P&C and F&I solutions designed to meet the needs of your dealership. It's a dedicated team of specialists ready to help you achieve your goals and provide the resources you need to maximize profit, stay compliant, grow your business, and protect your legacy. It's being there when we're needed most. That's the Zurich Experience.

Discover the Zurich Experience

Visit zurichna.com/dealer for more information on Zurich's products and services





Creating opportunity with Digital Retailing

Digital retailing continues to gain momentum, offering the convenient, flexible, transparent, and efficient shopping and buying experiences that consumers expect while enabling dealers to reach customers when and where they choose to buy. Integrating F&I with your digital retailing strategy presents a total solution that can help you cast a wider net, increase sales revenue, and generate even greater profit.

How does integrating F&I in digital retailing create more sales opportunities?

Offering additional flexibility and control in the process also lends to customers being more comfortable with the decision to purchase. In fact, dealership customer satisfaction scores increase when consumers are able to shop for and purchase vehicles in whatever manner they are most comfortable.

Often the focus of digital retailing is on vehicle selection, trade-in, and obtaining financing. While these are critical steps in the customer journey, it is important not to forget about the role that F&I plays, even in a digital environment. Customers should be able to view the F&I products that are eligible for their vehicle purchase, research each product and see real-time pricing. Ensuring that customers are aware of and understand the F&I products available to them while also providing an accurate cost is a driving factor in boosting F&I adoption digitally.

Evaluating your Digital Retailing solution

Car buyers do not always follow the same steps on the path to purchase. Your digital retailing solution should offer the flexibility that allows them to take as many steps as they are comfortable with digitally, integrating tools that gradually engage and encourage customers to progress further.

The foundation of this process should be built on providing customers with the core tools necessary to structure their purchase, including:

- **Inventory:** Finding the right vehicle is paramount in engaging customers digitally. Providing customers with the ability to search in-stock and in-transit inventory, while also allowing filter functionality to find vehicles with desired features/options will drive the initial engagement with digital retailing.
- **Trade-in Tools:** Many car buyers will have a vehicle to trade in as part of their purchase and getting a value on their trade is critical. Car buyers expect to receive an accurate valuation or even an offer to purchase their vehicle. Most digital retailing applications will allow for the integration of a variety of trade-in platforms. Make sure to select a tool that provides valuations that are in line with what you might offer to a customer physically in your showroom to avoid giving your digital shoppers an incorrect value.
- **Financing:** Car buyers that engage with digital tools expect to receive rapid responses to their inquiries and this extends into applying for financing. This step may create anxiety for a customer and providing instant approval (dependent on credit) is essential to keep the deal progressing. The financing portion of your digital retailing application should include easy applications, instant approvals, and lender submission.
- **F&I Products:** Customers should be able to view which F&I products are eligible for their vehicle purchase, have the opportunity to research more about each product (brochures and videos at a minimum), and see real-time pricing. Ensuring that customers are aware and understand the F&I products available to them while also providing an accurate cost is a driving factor in boosting F&I adoption digitally.
- **Payment Calculation:** For customers financing their vehicle purchase, the monthly payment may be a driving force in the selection of vehicle, acceptance of trade-in offers, and addition of F&I products. Providing payment transparency throughout the structuring of the deal will allow customers to see which vehicles fit into their budget, observe how financing terms (such as term) impact their payment; and determine which F&I products may enhance their ownership experience within their payment thresholds.



- **Contracting:** Once a customer has progressed through all of the above, the deal may be structured, but it is still not finished. This is where your process will need to determine what options the customer will be presented in finishing their deal. Consider whether you want to offer vehicle delivery, limit delivery to in-showroom with all paperwork completed remotely, or only allow the customer to finalize the deal in-store. Factors such as staffing, flexibility of technology, and regulatory limitations will help drive what options you may make available to your customers. When selecting a digital retailing provider (or changing process with an existing provider) make sure to catalog what options are available through the technology and whether they align with your desired process.

- **Communication:** The final point is not necessarily a step in the customer digital retailing journey, but rather a consideration that applies throughout the process. A strong digital retailing strategy needs to integrate communication throughout every step of the journey. Customers may need assistance in navigating the technology, clarification in an aspect of the deal, or may want to negotiate. This means that customers need the ability to contact your team through the channel that they feel most comfortable with (live chat, text messaging, email, phone, video conference, or in-person) at any point in the process.

Beyond customer driven communication, a strong digital retailing strategy will also prioritize transparent and frequent communication from your dealership to the customer to avoid any ambiguity around how a digital deal is structured at your store.

Another communication point to consider is around providing upfront marketing content around your digital retailing process. This could be in the form of videos or text that explains the process step by step to better educate the customer going into the process of what to expect along the way. Customer-driven communication strategies will help the customer better understand the process, push for deeper engagement, and ultimately, sell more vehicles.

Dealerships that offer better integration of online and in-store processes along with F&I protection products offer an end-to-end solution that presents more opportunities to sell. Zurich can help you evaluate your digital retail presence and develop a winning digital retailing strategy.

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