
MEMORANDUM

TO: F&I MANAGERS

FROM: BOB AVEDISIAN
AVID INSURANCE SERVICES

SUBJECT: PROTECTIVE
FLORIDA REFUND PROCESS

DATE: 9/12/11

The Florida Office of Insurance Regulation issued a memorandum on April 11, 2011 specifying that “The service agreement company remains responsible for full refunds to the consumer on canceled service agreements.” The memorandum also states that the provider is responsible for refunds within 45 days.

As a result, effective October 1, 2011, Protective will proceed with assuming the responsibility for issuing refunds directly to a Lien holder or consumer on behalf of our Florida Dealers. Your portion of the cancellation refund will be billed back to you on the Monthly Statement of Account Activity. Dealers should remit payment to Protective within 30 days of the billing statement.

In addition, Protective will assume responsibility for maintaining documentation to satisfy the state’s requirement of timely and accurate refund or reimbursement to a Florida consumer.

The following are some FAQ’s (Frequently Asked Questions) regarding this change:

Q: Why is Protective implementing this change?

A: In order to ensure compliance with the Florida Statute section 634.121, Protective will handle the cancellation refund on your behalf. By removing the burden from the dealership and maintaining all cancellation records necessary for a state refund audit, future audits should be speedier and result in less administrative work for your dealership.

Q: What ESC product lines are affected by this change?

A: All Extended Service Contract refunds will be refunded directly. Guaranteed Asset Protection (GAP) is excluded.



Insurance Services, Inc.

1480 Beltrees Street, Suite 1 Dunedin FL 34698 727.738.1770 www.avid-insurance.com

Q: Do I continue to use F&I Café Cancellation Quotes?

A: F&I will continue to be your resource to generate cancel quotes and perform contract searches. The refund processing changes will be handled internally. The current process to obtain quotes or submit cancellations will not change.

Q: How will I know if a cancellation refund has been sent?

A: Once the cancellation has been completed a letter will be sent to the customer and a copy sent to the selling dealer. You may also view all cancellations within a current month, month to date, via the 'My Activity' link of F&I Café. This will provide up-to-the-day reporting of all cancellations processed for your dealership. In addition, the monthly billing statement will reflect all cancellations processed as well as an amount due for the dealer portion of the refund Protective paid on your behalf. Dealers should remit payment to Protective within 30 days of the billing statement.

Q: Will the cancellation paperwork requirements change?

A: The same paperwork as is currently required, except when the Dealership is entitled to the refund. They we will need to provide an explanation if the deal was unwound or a copy of the new vehicle purchase order.

Q: Is there a special cancel form?

A: No, the process to submit cancellations will remain the same. You will still be able to submit your cancellations as you do today. All process changes will take place within Protective.

Please contact our office, at 727.738.1770, with questions or concerns.



Insurance Services, Inc.

1480 Beltrees Street, Suite 1 Dunedin FL 34698 727.738.1770 www.avid-insurance.com