



QBE Auto Risk Mitigation

QBE has a comprehensive program that has helped save our clients millions of dollars.



At QBE, we take protecting your bottom line and mitigating your risks seriously, and our auto risk mitigation team has a strong background in doing so for more than 25 years in the industry.

As your dedicated partner, we are committed to quality products that protect your portfolio and help **save you money**.

By using our products, you benefit from QBE taking on the time-consuming tasks and expenses associated with tracking insurance on your portfolio. We can also manage your repossessed vehicle claims. Given the recent economy, now is the perfect time to implement our suite of products and services.

Our comprehensive auto risk mitigation program features our robust insurance tracking system, collateral protection insurance (CPI) and our newest offering - Asset Advantage. We also offer RepoSource,** a powerful recovery tool that has helped our clients save millions of dollars.

*Provided by Mortgage & Auto Solutions, Inc., a subsidiary of QBE.

QBE has had a long history of being at the forefront of anticipating the needs of the financial institutions industry and expanding our suite of quality products and services to assist them.



Alternative to Traditional CPI

We developed an additional option to CPI - Asset Advantage. This product offers you a substantial amount of the protection traditional CPI does while also providing the following key cost-saving changes to minimize the payment impact to your customer:

- A higher deductible - up to \$1,500 - keeps costs down; lower options are also available.
- Annual coverage is effective when a certificate is issued at the end of the tracking cycle because there is no back-dating.
- Coverage is charged on a go-forward basis only, thereby reducing the premium amount charged to your borrower.
- The average monthly premium can be less than half of traditional CPI,* depending upon loan balance.

* Premium rates are estimates. Actual rates will be determined upon completion of an application and the deductible level requested.



Asset Advantage can help protect your portfolio and significantly reduce the financial impact to your borrowers. By reducing the premium costs for your borrowers, you are also helping them avoid defaulting on their loans and risking vehicle repossession. This also helps eliminate dissatisfied customers and risk to your brand reputation. In this economy, now is the perfect time for you to offer your borrowers this type of win-win risk management solution.

When you sign up for Asset Advantage, you also get the strength and auto risk mitigation expertise that comes with QBE. By combining our sophisticated insurance tracking services, our innovative coverage solution and RepoSource, our comprehensive recovery management tool, we provide a significant level of coverage while maximizing your recoveries on repossessed vehicles.

We understand that many lenders have elected to self-insure instead of using a CPI program, believing that the risk of increased defaults and charge-offs exceeded

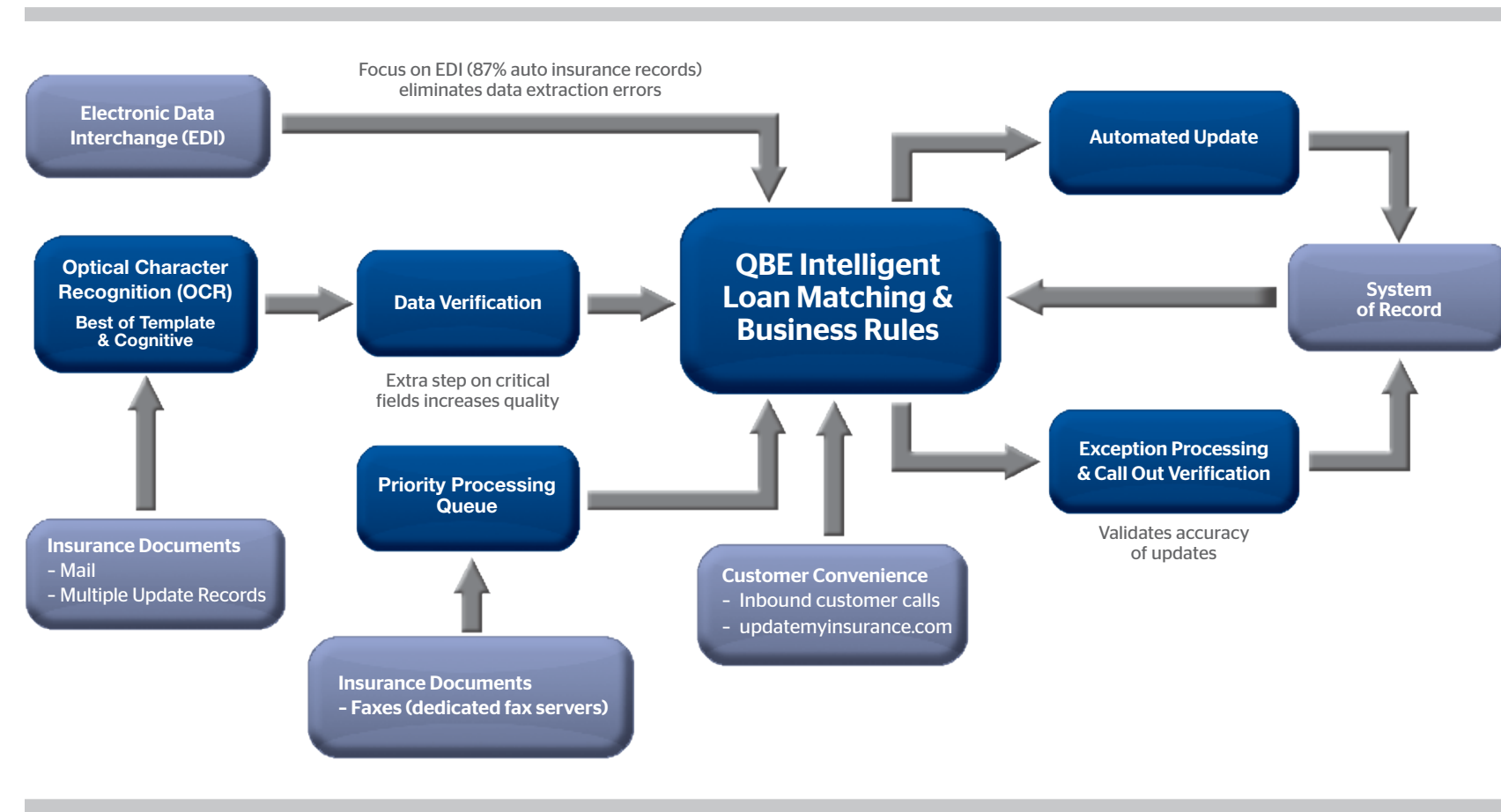
the insurance benefit. As a result, we have designed Asset Advantage to lower the costs while still providing meaningful benefits to both the lender and borrower.

In reviewing our charged-off accounts with CPI in-force, it was discovered that late payment patterns had occurred prior to CPI billing; showing that adding the CPI premium did not cause the tip over.

We believe after you examine our new offering, you will find a new way to increase the percentage of your portfolio that is covered, reduce charge-offs and materially increase the amount of claims payments received in a compliant and borrower friendly manner.

Auto Tracking Operations - Loan Matching

Our advanced technology, which includes electronic data interchange (EDI), optical character recognition (OCR) and our sophisticated insurance tracking engine, allows us to provide **accurate data and exceptional service**.



Insurance Tracking

We track and monitor customer adherence to your insurance requirements with our proprietary system. This helps ensure data extraction that historically has been more than 99% accurate. In the event that we do not receive adequate proof of insurance from your customers, our flexible options allow you to customize your insurance follow-up program. By initiating reminder notices and calls, we encourage your customers to provide and maintain their own insurance coverage, which keeps the number of uninsured accounts as low as possible.

CPI

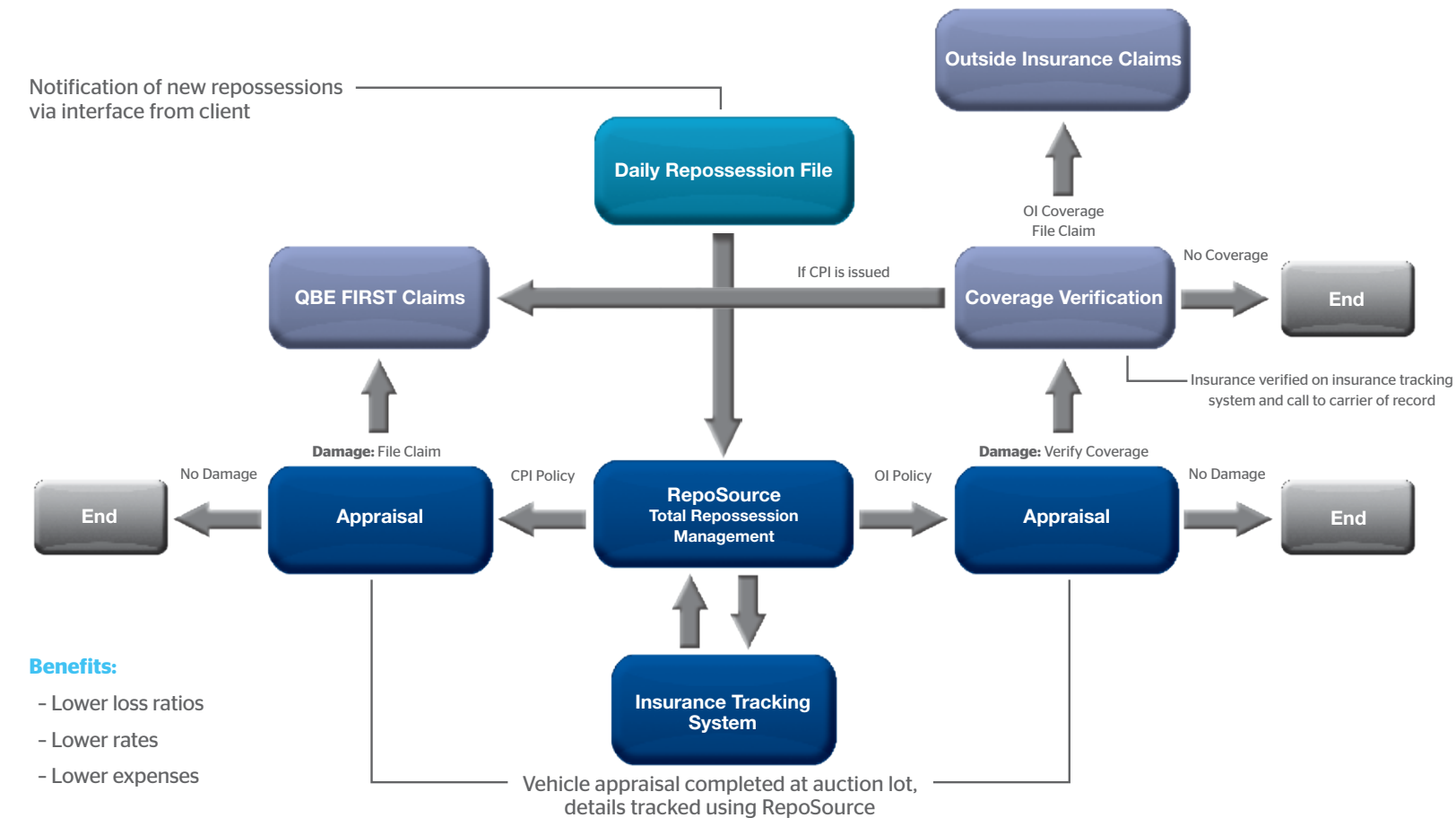
Our technology and customer-focused processes enable us to provide you and your customers needed protection in the event of an uninsured loss. Claim settlements are based on the lesser of repair cost, actual cash value or current loan balance. In addition, coverage can be provided on other collateral in your portfolio, including motorcycles, recreational vehicles and boats.*

* Coverage not available in all states.

Our innovative products can help reduce the financial impact to your customers, including risk-based pricing, which takes into consideration factors such as vehicle type, age and location.

RepoSource - Complete Claims Management

We leverage the RepoSource program to work with our claims system and your auction lots. This allows us to manage the claims process **more quickly and efficiently** so there is no delay in selling your vehicles.



Benefits:

- Lower loss ratios
- Lower rates
- Lower expenses

The average monthly recovery in 2012 was \$800K.



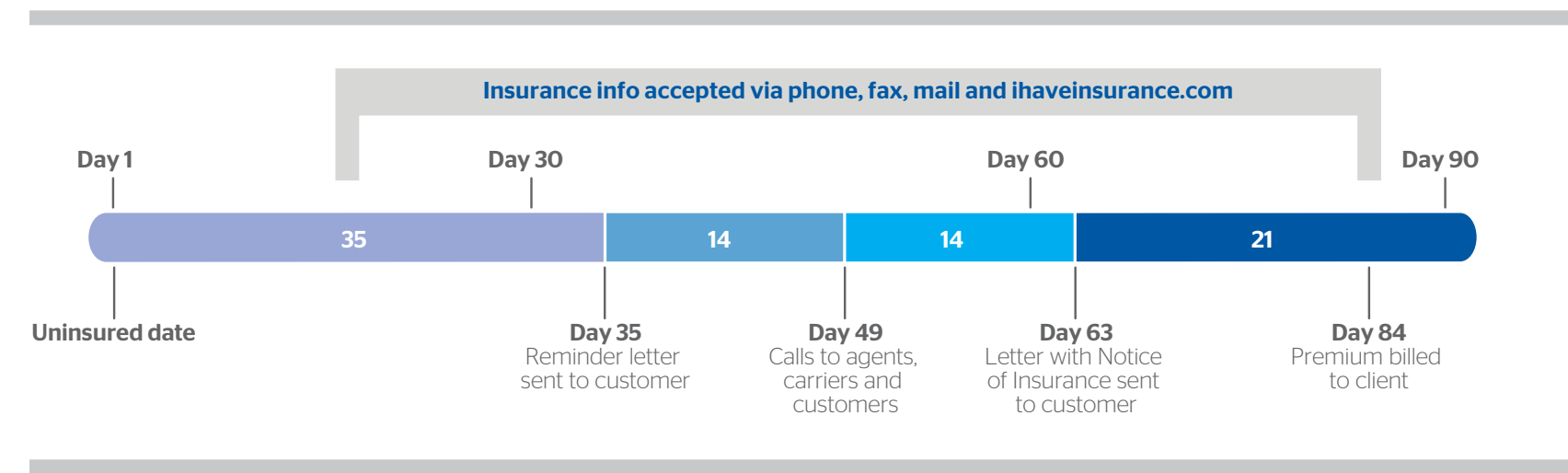
RepoSource

This fully integrated and comprehensive outside insurance recovery program helps protect your bottom line. In fact, by using RepoSource, we have helped our clients recover tens of millions of dollars from outside insurance carriers. Upon inspection at the auction site, insurance appraisals are completed for cars with damage and claims are filed either with QBE or with the appropriate outside insurance carrier. This process can substantially improve the timing of your claim settlements, with minimal involvement required from you and your staff. You can easily access claims status information on repossessed vehicles 24/7 from a secure online portal.

Using RepoSource has helped our clients recover tens of millions of dollars from outside insurance carriers.

Insurance Life Cycle

Our cycle times vary based on each client's business rules, but here is one example of a timeline and the effort we build into the process to ensure we are providing a **good customer experience**.



Customers Impacted by the Insurance Process

For each activity we do on your behalf, a high percentage of your customers obtain their own insurance coverage as a result of our efforts. Helping them avoid entering the lender-placed cycle increases your reputation with your customers and reduces their irritation. This is just one of the many values we provide by treating your customers as our own. Because of the correlation between lending risk and insurance risk, it should also be noted that the number of monthly activities may vary based on your portfolio segmentation. However, in the subprime, nonprime and prime segments, a very small percentage of accounts generally result in CPI placements.



Quality Customer Care

Our customer service representatives are there for you, handling any calls related to our insurance tracking process. And QBE has been recognized for that stellar service. Our customer care centers have been certified as Centers of Excellence by BenchmarkPortal. This places them in an elite 1% of call centers in North America that achieved that status for six years or more. Our virtual office - optimized by new capabilities developed by Interactive Intelligence Inc. (i3) - allows us to take calls specific to your service hours from either of our two key service center locations. We adhere to service level agreements with you that track average speed of answer and abandoned rate. We share those results with you via our monthly scorecard. We pride ourselves in the quality processes we use in all our operations. Thanks to our customer-focused values, we eliminate nearly all escalation issues and concerns.

We don't just talk about excellent customer care - we give you a way to verify our performance. One hundred percent of our customer calls are recorded and stored for over seven years. Plus, you are welcome to log in and listen to our live calls with your customers anytime.



The Strength Behind QBE

As you consider ways to protect your bottom line, we would like to remind you that QBE offers a powerful combination of insurance products backed by our advanced technology and world-class customer care. Our compliance focus, collaborative approach and dedication to treating your customers like our own makes QBE the dedicated partner you need and deserve.

We would be happy to perform an analysis of your portfolio and give you an indication of what you could save. Depending on the size and customer base of your

portfolio, you could realize net benefit savings in the millions of dollars. The savings from our program are real and significant. Imagine the opportunities this kind of savings could represent for your company. Made possible by QBE.

To find out more about how QBE can protect your bottom line and provide you with substantial savings, contact a member of our sales team at 800.570.5251.

QBE

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