

AS SEEN IN  
**Automotive News**

## THE ART OF EXCELLENCE

Edison said genius is 1% inspiration and 99% perspiration. Great artists will tell you that excellence is less about the inspired idea than about understanding the materials they work with.

Reinsurance for dealers is an inspired idea, but Portfolio is the industry leader because we demand excellence in every aspect of managing our dealers' reinsurance companies. We sweat the details so our clients don't have to. After all, if we perform, we earn and keep the business.

Our carefully selected agents, reinsurance specialists, employees and outside experts are expected to deliver their best every day, from the big picture to the smallest detail. So they do.

If you decide to own your own Portfolio reinsurance company, what will we do for you? We will make simple the complexities of massive databases, quarterly performance reports and what they reveal, your investment returns, proper company formation, and impeccable legal compliance. We commit all of our resources toward excellence in these management responsibilities so that you can focus on your dealership.

If you don't call your Portfolio reinsurance company a masterpiece, you will soon know it is an investment that appreciates in value like a masterpiece.

What is its most beautiful quality?

You own it 100%.

**MAKE OUR EXCELLENCE PART OF YOUR PORTFOLIO.**

Dealer Principals and  
Professional Agents, please call  
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*Portfolio*

THE INDUSTRY LEADER IN REINSURANCE PROGRAMS FOR  
VEHICLE SERVICE CONTRACTS AND OTHER INSURABLE RISKS



**Our Secrets**

for Your Success

# THE SEVEN SECRETS OF YOUR

**O**ur clients' 100% ownership of their Portfolio reinsurance companies means that we are entrusted to manage them for profit, stability and security. For us to keep your business we must perform consistently to a high standard of excellence in each of seven core responsibilities. We do all this so you can focus on your dealership.

We never take it for granted, but Portfolio has the highest client retention rate in the industry because we create wealth for our clients. Very honest wealth.

After all, we are not a vehicle service contract program. Service contracts are just the source of wealth for your reinsurance company. So we are on the hook to deliver more than competitive rates, competent claims administration and flashy sales gimmicks. Even more, we work for fees only, not a piece of your company or its investments.



## I. STRUCTURE

The single most important feature in structuring a company is ownership. At Portfolio it's your ownership. We structure all aspects of your reinsurance company and its operations with your 100% ownership in mind.

For long-term security we form your company in compliance with all current laws and tax regulations, and we accomplish this sensitive task affordably. That's because we have doing this since 1990. In 2004 the IRS issued two positive Technical Advice Memorandums after an exhaustive investigation of two Portfolio companies at the national level. We believe these TAMs are good evidence of how well we operate



Your reinsurance company is a loyal US taxpayer, but not just any taxpayer. At Portfolio we invest in experts to keep up with all changes in the tax code so that your company can receive every available benefit afforded by law. We see this as just good business sense.

But first and foremost, we form your company to efficiently generate profit, because without profit, there are no taxes. We structure everything about reinsurance around your profitability.

## II. DOCUMENTATION

Our documentation details explicitly how premiums paid by your customers move to your reinsurance company. This process is set up with protections for you, and all costs and fees are fully disclosed. No party is secretly siphoning off dollars that properly belong to your company. Our documentation guarantees the stability of your 100% ownership.

Our philosophy is that we are in a trust position with our clients, not an adversarial one. We act as your bridge to the somewhat arcane world of reinsurance. Portfolio was founded by former dealers and dealership executives, who still act as the day-to-day core leadership team. Portfolio has never lost sight of what a dealer really needs in the challenging automotive market- a supplier he can count on.



## III. ACTUARIAL DATA

We hear you yawning. Actuarial data is the world of green eyeshades and greenbar computer printouts. But like golf, to make the gold in this business you'd better pay attention to the greens. Portfolio's database on the performance of vehicle service contracts leads the field.

It's a massive database going back over 15 years. If it were printed out and stacked up, it would be the height of a four-story building.



We are most proud of how well the data is collected and organized for analysis. This is good for your reinsurance company and the dealership. We don't have to rely on someone else's guesstimate of a make and model's repair or claims history. We know what it is.

## IV. INTERPRETATION OF DATA

They say that data is not valuable until it is properly interpreted to become information for decision-making. Portfolio not only brings wealth for your reinsurance company, but our key decision-makers bring a wealth of experience in the business of insurable risks for the dealership, especially vehicle service contracts.

# SUCCESS WITH PORTFOLIO

This experience gives us the discipline to properly interpret the data when it comes to advising you about market-savvy but profitable rates, customizing your rate chart benefits, presenting your quarterly performance reports and recommending strategies for reinsurance company success.

We do all this with focused professionalism through your personal Portfolio reinsurance specialists- who are often former dealers- but never at the expense of dealership profitability.

After all, there's the interpretation of data, and then there's your bottom line.



## V. OUTSIDE EXPERTISE

Good business management recognizes that sometimes it's best to use outside experts with professional standards of conduct rather than try to do everything with employees who might say *Yes* when you really need them to say *No*.

We want the best for our clients, so in certain critical areas we hire the best attorneys, accounting firms, and tax regulatory advisors to serve your reinsurance company. To be successful during the IRS investigation we invested hundreds of thousands of dollars for this outside expertise, plus thousands of employee hours.

We believe part of the reason for our success in that IRS challenge was that all our experts had been with us from the beginning of Portfolio, selected then because they were the best in the business. They are still with us, and your reinsurance company gains from their continuing expertise.

## VI. DEALER-FRIENDLY REPORTS

The Portfolio promise is to make reinsurance simple from beginning to end. Actually, there is no end as long as you are writing business or earning investment income. There's only the building of your wealth.

Your quarterly reports regarding your company's underwriting profitability and its investments and dividends are so simple that we can put almost everything you need to know on one summary page.

But we don't hide anything. The back pages detail everything important that has happened with the money in- and the money out- of your company. Even though we are in a trust position with you, this is the least we can do to earn that trust.

Our agents or reinsurance specialists will meet with you every quarter as you receive these reports. Even if things are going better than you had ever hoped, we will still meet with you once a year to go over your company's performance. And of course we are always a phone call away. Our job is to make you successful, comfortable, and the satisfied owner of an asset you never had before.



## VII. TRAINING

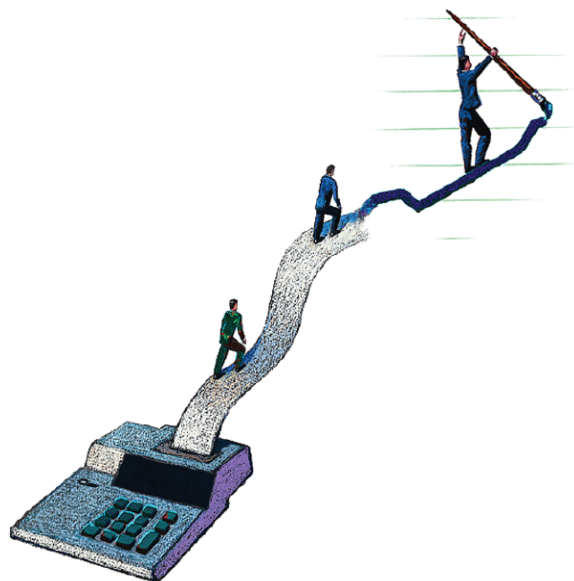
This is more about us- our employees, experts, agents, and reinsurance specialists- than about you. But instead of expensive ad campaigns or junkets to exotic destinations, we put our time and money into recruiting and training the people who work with our dealer clients. No matter how simple we make it for you, it's still a challenging and complex business to manage your reinsurance company.

Our people are multi-talented. Many of them have dealership experience so they can relate to your needs as instinct, not a learning experience. Others have been with Portfolio for more than a decade, most unusual in today's market. And they are all loyal. The loyalty and trust we get from our dealers seems to be reflected in these people who make us all successful.

Our people are the greatest secret of our success and yours. They are required to read this brochure, just to make sure they know what to live up to. At Portfolio we know the Art of Excellence is less an inspired idea than a group commitment to hard work and experienced decision-making.



The real Portfolio secret?  
Hard work and experience.  
And we do it all so you don't have to.



THE ART OF EXCELLENCE IS ABOUT UN-  
DERSTANDING THE MATERIALS  
YOU HAVE TO WORK WITH.

*Portfolio*

Portfolio General Management Group Inc.

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