

# The “I’m Already Covered” Comeback

## Objection Doctor

**An Objection That Comes Up for Dealers Far Too Often: “My Insurance Already Covers That”**  
— Educating Customers on How Dealer Protection Plans Offer Real Value

One of the most frequent and challenging objections Business Managers face during the F&I process sounds something like this:

**“I already have insurance that covers that. Why should I pay for it again?”**

It’s a reasonable question, and often one that comes from a place of confusion for the customer, rather than understanding. As an F&I professional, your goal isn’t to push a product, but to educate the customer about the differences between what they think they’re covered for and what your dealership’s protection plans actually offer.

Let’s break this down and explore how to effectively respond to this specific objection.

Dr. Axel Wheeler

### **FIRST, YOU NEED TO UNDERSTAND THE CUSTOMER’S PERSPECTIVE:**

Most customers arrive at the finance office with a sense of confidence. They’ve done research, understand vehicle financing, and are often prepared with their own insurance policy. When they hear about vehicle service contracts, appearance protection, GAP coverage, windshield coverage, or bundled plans, they instinctively compare it to what they already think they have. And in many cases, they believe their personal insurance provides identical or similar coverage.

That’s where the disconnect begins.

### **Review What Traditional Insurance Actually Covers**

Personal auto insurance is primarily designed to protect against significant loss—accidents, liability, theft, and property damage. It’s there to cover the **“big stuff,”** and it’s governed by policy limits, deductibles, and claim history. When a customer files a claim, it often comes with out-of-pocket costs and potentially higher premiums.

## Here are key limitations of traditional insurance to review with your customers:

- **No coverage for wear and tear or mechanical breakdowns**
- **Deductibles apply, even for minor claims**
- **Cosmetic damage like door dings or interior rips are often excluded**
- **Wheel and tire damage may only be covered if caused by an accident**
- **Repairs may be limited to approved shops, not necessarily your dealership**

## What Dealer Protection Products Do Differently

This is where dealer-backed products shine.

Let's use a bundled protection plan as an example. While it may include roadside assistance, something that insurance companies also offer—the real value lies in what's beyond that. For instance:

- **Tire & Wheel Protection:** Not only is the flat tire changed, but the damaged tire is replaced, and mounting/balancing is included. If the wheel is damaged, it's repaired or replaced.
- **Dent & Ding Repair:** Minor cosmetic damage is fixed without filing a claim or paying a deductible.
- **Windshield Repair:** Chips and cracks are repaired before they require full replacement—again, with no deductible and no impact on insurance rates.
- **Key Replacement, Interior/Exterior Protection, and More:** Depending on the plan, even lost keys, spilled coffee on the upholstery, or faded paint could be covered.



In short, these offerings are designed for everyday inconveniences, not just catastrophic events. And they often come with unlimited use, **no impact on insurance premiums**, and nationwide coverage.

## The True Value Proposition

The key to overcoming the objection is shifting the conversation from *what* is covered to *how* it's covered—and at what cost.

- **No deductibles** means immediate value.
- **No claims on your personal insurance** means no premium hikes.
- **Dealer-backed service** means convenience and a relationship with someone the customer can trust.

Customers aren't just buying a car—they're buying complete ownership experience. Positioning these products as part of that experience, rather than as an insurance add-on, reframes the value entirely.

## The Benefits of Building Long-Term Loyalty

There's also the relationship angle: **"We want to be your dealer for life"** is the approach. Offering added protection builds loyalty. When a customer returns for a windshield repair, a new tire, or a dent fix—and it's done quickly, professionally, and at no cost to them—they remember that. It's a tangible, recurring benefit that traditional insurance can't offer.



### The Doctor's Prescription

When a customer says, **"My insurance already covers that,"** it's a chance—not a roadblock. A chance to inform, clarify, and differentiate.

Dealer protection plans aren't about duplication—they're about enhancement. They fill in the gaps, reduce out-of-pocket costs, eliminate headaches, and provide an ownership experience that standard insurance simply can't match.

By helping customers understand these differences, Business Managers can overcome objections with confidence—and deliver real, lasting value.

