



WARRANTY SERVICES, INC.

Vehicle Service Contract (VSC)

Service Department Guidelines and Claim Procedures

The Vehicle Service Contract program utilizes a claims reporting and payment system that is spelled out in each and every Vehicle Service Contract. To process a claim, simply refer to the Contract to find complete instructions for the Customer and for the Service Manager.

The aspects of the Claims System that apply to a Dealership are outlined in this section of the Procedure Manual.

All claims **MUST** be called in to CareGard **prior** to the completion of any repair of the vehicle. The maximum amount that will be paid for any claim, will be the amount approved by CareGard prior to the completion of the work.

No action can be taken on any claim until CareGard has received a copy of the completed Contract, paid in full.

In the case where a claim occurs prior to the receipt of any given Contract and payment thereof, CareGard will initiate a claim upon receipt of a faxed copy of the applicable Contract. The claim will be adjusted normally and, if covered, authorized. However, the claim cannot be paid until the original Contract is accepted and payment is received. If the claim occurs at a third-party repair facility, the Contract Holder will be set up as the payee unless the selling dealer or the agent guarantees payment to the repair facility.

A. Coverage Verification

At the time a Service Contract Holder comes to your Dealership to report a mechanical problem that may be covered under the terms of the Vehicle Service Contract, follow these procedures:

1. Secure a copy of the Vehicle Service Contract and note the Contract number (located at the top, lefthand side of the Contract Registration Page), or the Contract Holder's complete Name and Address and the Name of the Selling Dealer/Lessor.
2. Verify time and mileage limits to ensure that the Vehicle Service Contract is still in force, and that the vehicle in for repairs is the one covered by the Contract. If the Contract has expired, please advise the Contract Holder accordingly.
3. Confirm that the required maintenance has been performed, by reviewing the maintenance records or receipts provided by the Contract Holder.

4. Advise the Contract Holder that your collection of the above data and evaluation of the cause of mechanical failure does not necessarily mean the claim will be paid/covered by the Vehicle Service Contract. Such determinations are made by qualified, trained Claims Adjusters at CareGard.

B. Reporting

Upon verifying that the Vehicle Service Contract is in effect and the failed component is covered:

1. Assess the cause, the cure and the cost.
2. Call CareGard to initiate a new claim. Please use the telephone number listed below:

CareGard Claims (888) 565-2580

3. Report the Service Contract Number or complete Name and Address and/or the name of Selling Dealer/Lessor, **PLUS the cause, cure and cost of the repair**. The authorization cost is the maximum CareGard will pay on the claim when submitted: any changes in repair amounts must receive additional authorization.

4. The **CareGard Claims Adjuster will verify coverage and either:**

- a. Authorize the claim, issuing an Authorization Number (which must be entered on all copies of the Repair Order); or,
- b. Request further evaluation: teardown (see Note below) or outside inspection; or
- c. Deny the claim and issue a Denial Number.

C. Vehicle Inspection

CareGard reserves the right to inspect any vehicle at the time of breakdown. Any repairs that are completed without allowing CareGard an opportunity to inspect will not be covered.

Should CareGard request an outside inspection:

1. Immediately stop any repairs being performed (Do not complete the repairs). Should further teardown be necessary, discuss with your CareGard Advisor, and obtain authorization from the Customer to perform enough teardown to verify all failed parts.
2. Save all components that need to be reviewed, including fluids and filters.
3. CareGard will make arrangements for the inspection.
4. If the Inspector does not visit within 48 hours, call your CareGard Inspections Coordinator.
5. Upon completion of the inspection, the CareGard Claims Adjuster will issue a final disposition.

NOTE: Teardown Policy – CareGard may request that a component be torn down before issuing an Authorization Number. The Contract Holder must be advised that, if after the component is disassembled, it is determined that the cause of failure is not covered; the Contract Holder must pay the expense of the teardown.

PARTS: If Dealer supplied parts exceed the reasonable cost or exceed the like, kind and quality provision of the Vehicle Service Contract, and the Contract Holder chooses not to participate in a difference of cost, then CareGard reserves the right to assist the Dealer in supplying the covered part(s) to complete the repair.

CareGard will limit its assistance to the following assemblies:

- ☐ Engines
- ☐ Transmissions, Drive Axle, Transfer Case

- ☐ Steering Racks/Gear Boxes
- ☐ A/C Compressors
- ☐ Turbochargers/Superchargers

D. Submitting the Claim

For claims given an Authorization Number with a repair cost agreed upon between you and CareGard:

1. Write the Authorization Number, Vehicle Service Contract Number and Authorized Amount on a legible copy of the Repair Order, **signed** by the Contract Holder. Payment cannot be processed if the Authorization Number and Contract Number are not reported and/or the Repair Order cannot be read.
2. Attach copies of all applicable bills to your Repair Order.
3. Send a copy of any Maintenance receipts, if requested.
4. Include receipts for Sublet Bills, Car Rental and/or Towing.
5. Collect the applicable Deductible (if any), shown on the Registration Page from the Contract Holder.
6. Authorized claims must be submitted within 30 days from the time of failure.

E. Optional Claims Reporting Procedures

If your Dealership is equipped with a fax machine, you may submit claim information via the fax. Your local agent can supply you with the necessary documents and instructions.

F. Claim Payment

CareGard will submit payment upon receipt of your Repair Order, Sublet Bills (if any) and any other required documentation. Upon receipt of these items, claim payment will be made as follows:

1. Your full labor rate as allowed for the repair in an approved repair manual (ALL-DATA, Mitchell, Motors or Factory), and manufacturer's suggested retail cost for parts (except as noted in Section C) will be paid.
2. Sublet work may be reimbursed at actual cost plus 10% (except for a complete sublet which will be reimbursed at actual Dealer Cost). A copy of the sublet bill must be submitted with the claim.
3. Car Rental will be paid at a rate of one day's rental (in accordance with the amount shown on the Vehicle Service Contract) for each 8 hours, or portion thereof, of shop time required to complete the repairs. Shop time is the time listed in one of the aforementioned national repair manuals used by the Dealer. A separate Rental Agreement from a licensed rental facility, signed by the Contract Holder, must be submitted.

Important Note: If Rental Benefits apply, three days parts delay coverage will be allowed upon proof of delay for the replacement of a major component - Engine, Transmission, or Drive Axle Assembly.

4. Towing charges, if any, will be paid in accordance with the amount shown in the Vehicle Service Contract, per occurrence. A separate towing invoice must be submitted for the sublet towing.

G. Method of Payment

CareGard will mail the insurance company's claim payment check directly to the Dealership.

In the event that repairs are made away from the Selling Dealership by a facility that will not accept reimbursement by mail from CareGard, payment will be made by a national MasterCard/Visa or American Express account, with approval from CareGard, and upon receipt of the Repair Order by the Administrator.

H. Dispute Resolution

CareGard has sub-contracted with the American Arbitration Association (AAA) to be the arbitrator of any claims that are not settled through normal procedures. The dispute resolution will be conducted in accordance with the arbitration rules of AAA.

CAREGARD MAY CHANGE THESE PROCEDURES AT ANY TIME. IF YOU HAVE ANY QUESTIONS ON ANY OF THESE PLEASE CALL OUR CUSTOMER SERVICE DEPARTMENT AT 800-856-0990.