



PROCEDURE MANUAL

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IMPORTANT INFORMATION

MY AGENT/REPRESENTATIVE IS: _____
 PHONE: _____
 FAX: _____
 E-MAIL: _____
 PAGER: _____

wtechautoads@warrantech.com

AGENT/DEALER SERVICES: (800) 358-2655
 CUSTOMER SERVICE/CLAIMS: (877) 477-4251
 CANCELLATION QUOTES: (877) 477-4251

Any Vehicle Service Contract Coverage, regardless of term, may carry a Deductible. Deductible options vary by program. The Deductible noted on the Registration Page will be applied on a Per Repair Visit basis. If the Deductible box on the Registration Page is blank, the Deductible is \$100.

ISSUING VEHICLE SERVICE CONTRACTS

A. Completing The Registration Page

In order to process the Vehicle Service Contract and provide complete administrative services, it is mandatory that ALL information be completed on the Registration Page. The following areas, if not properly completed, could cause Contracts to go on error and delay claims (if any).

1. Verify the following areas of the Registration Page have been properly filled out:
 - a. **Contract Coverage/Contract Plan Code** – This is the Coverage that the customer purchased and that corresponds with the Schedule of Coverages section of the Vehicle Service Contract. Coverages available vary by program. Please refer to your program's Vehicle Eligibility Guidelines for an explanation of the appropriate information that should be reflected in the designated area of the Registration Page.
 - b. **Vehicle ID Number** – verify that the complete VIN is provided. If the complete VIN is not provided, the Contract will go on error and claims (if any) will be delayed.
 - c. **Deductible** – this box must have a deductible amount indicated. Any Contract remitted without a deductible amount indicated will be entered with a \$100 deductible and the selling dealership will be responsible for additional amounts due, if any.
 - d. **Vehicle Purchase Price** – This must be provided to determine Contract Aggregate. If the Vehicle Purchase Price is not provided, claims (if any) will be delayed. See the Limits of Liability, Aggregate section of the Vehicle Service Contract.
 - e. **Full Pay/Installment** – Full Pay Contracts are Contracts remitted with full payment. Installment Contracts are Contracts financed through an Administrator authorized company and require additional forms. Ask your Agent Representative for details.
 - f. **Term Months** – Months of Coverage purchased by the Customer. This is a determining factor of Contract expiration.
 - g. **Miles of Coverage/Term Mileage** – This is a determining factor of Contract expiration. This reflects either the expiration mileage or miles of coverage the customer purchased as shown on the program rating disk (if applicable) or the program rate chart. Please refer to your program's Vehicle Eligibility Guidelines for an explanation of the appropriate information that should be reflected in the designated area of the Registration Page.
 - h. **Contract Purchase Date** – The date the customer purchased the Contract. This is a determining factor of Contract expiration.
 - i. **Odometer Mileage at Contract Purchase Date** – mileage on the Vehicle at Contract Purchase Date must be given for all Contracts and/or Plans. This is a determining factor of Contract expiration. Odometer mileage applies only to On Road Motorcycles under the PowerEdge® program.
 - j. **Surcharges** – mark surcharges as they apply to the Vehicle/Contract sold. Some surcharges are mandatory while others offer optional additional Coverage. See the appropriate program's Rate Chart and Vehicle Service Contract for pricing and descriptions.
 - k. **Lienholder** – lienholder information is needed only if the Vehicle Service Contract has been included in the finance amount for the Vehicle.
 - l. **Customer's Signature** – the customer must sign the Registration Page. If the customer's signature is on file, you must provide documentation, with the customer's signature, acknowledging customer's purchase of the Vehicle Service Contract. Customer's signature must be obtained for Ancillary Benefits.

B. Distribution

The Registration Page is a multi-part NCR form. When completed, distribute as indicated on the Registration Page. The customer's copy should be attached to the Vehicle Service Contract as indicated. The customer's Vehicle Service Contract is not valid unless the Registration Page is attached to the Vehicle Service Contract. Mail the Administrator's copies with your remittance. It is important that all Vehicle Service Contract sales be reported promptly, as no claim payments will be made on any claim until the Administrator has received copies of the fully-completed, paid Contract.

REPORTING/REMITTING VEHICLE SERVICE CONTRACT SALES

The instructions that follow should be made available to all personnel involved with processing Vehicle Service Contract sales.

IMPORTANT: It is the responsibility of the dealer to keep complete records of all transactions pertaining to the Vehicle Service Contracts issued pursuant to the Service Contract Dealer Agreement, which may be in electronic format. Such records shall be maintained for a period of time in accordance with regulatory record retention requirements.

The Registration Pages and Vehicle Service Contracts are field issue, not applications. All Registration Pages are numbered, available only from the Administrator.

A. Report and Remit (R&R)

The Administrator's copy of the Registration Page(s) must be attached to a transmittal form with payment and forwarded to the address listed on the transmittal. The Administrator does not require a copy of the Registration Page when the Registration Page is system generated and printed from VSCOnline (see VSCOnline section herein).

Important Note: All Vehicle Service Contracts must be submitted to the Administrator, within fifteen (15) days of the Contract sale date. The Administrator reserves the right to refuse any Contracts submitted after this time. Any Vehicle Service Contracts submitted to and accepted by the Administrator more than 90 days from the Contract sale date will be assessed a late fee.

B. Cancellations/Adjustments

Cancellation and adjustment/correction requests should be submitted promptly separate and apart from new business. **DO NOT** deduct cancellations or adjustments/corrections from your new business remittances. The Administrator shall promptly process these requests, and a credit/check will be issued at the end of the reporting period (if applicable).

C. Payment

Payment for Vehicle Service Contracts are to be made in full upon submission. **No claim payments will be advanced on behalf of any Vehicle Service Contract which has not been paid in full. Any Vehicle Service Contract submitted without proper payment may be Returned.** If a payment is not received within sixty (60) days from the Contract Purchase Date, the unpaid Vehicle Service Contract(s) will be returned and the Contract Holder(s) will be notified that you have failed to remit full payment for their Contract and that in the event of a claim, they should contact you.

ALL CHECKS SHOULD BE MADE PAYABLE AS INDICATED ON THE TRANSMITTAL.

TRANSFERS

Vehicle Service Contracts may only be transferred once from the original Contract Holder to a subsequent buyer. Some Coverage, time and mileage must be remaining on the Vehicle Service Contract. Refer to the Vehicle Service Contract Transfer section and the Vehicle Service Contract Transfer Form for specific conditions and requirements. Once all conditions and requirements are met as stated in the Vehicle Service Contract Transfer section and the Vehicle Service Contract Transfer Form, a Transfer Verification Letter will be issued to the new owner of the Vehicle.

Vehicle Service Contract Transfer Forms can be obtained at www.wtechauto.com and/or by logging into VSCOnline under Agent/Dealer Resource, Download Forms.

CANCELLATIONS

The rules and conditions governing cancellation are set forth in the Vehicle Service Contract and below. The Dealer/Lessor is always responsible for the portion of the refund containing the Dealer/Lessor profit.

NOTE: Any refund due will be calculated less a cancellation fee (may vary by state), and as stated in the Cancellation section of the Vehicle Service Contract.

A. Contract Holder Cancellation

The Vehicle Service Contract Holder may cancel the Contract at any time by:

1. Returning to the Dealer/Lessor to complete and sign a Cancellation Request form.
2. Mailing written notice to the Dealer/Lessor of the desire to cancel the Contract.

In either instance above, the request must be accompanied by an odometer statement or notarized statement indicating the odometer reading at the date of the request. The request for cancellation must be made within forty-five (45) days of the date that the cancellation is to become effective, (except in the case of repossession, stolen or totaled vehicles. Supporting documentation from the primary insurance company or police reports indicating dates and mileage at time of incident will be required).

NOTE: Vehicle Service Contracts can only be cancelled by the original Contract Holder.

B. Dealer/Lessor Cancellation

The Dealer/Lessor may cancel, or may be asked by the Administrator to cancel the Vehicle Service Contract at any time if:

1. The car is a total loss or is repossessed.
2. The odometer is disconnected or altered.
3. The car is used in a manner not covered by the Contract.
4. The charge for the Contract is not paid.

C. Lienholder Cancellation

If the customer is in default of the loan agreement, the Lienholder shown on the Registration Page of the Vehicle Service Contract may cancel the Contract in accordance with the terms and procedures listed herein.

D. Administrative Cancellation

In the event a Vehicle Service Contract is sold on a vehicle that does not comply with the eligibility outlined in this manual, the Vehicle Eligibility Guidelines for the program, or the Vehicle Service Contract, the Administrator has the right to cancel the Contract.

E. Basis of Cancellation

1. A cancellation initiated by the Dealer/Lessor or the Contract Holder, within sixty (60) days of the Contract issue date, will be calculated as a flat cancellation and the cancellation fee will be waived, unless there has been a claim.
2. If the Contract is cancelled after the first sixty (60) days or a claim has been filed, the Administrator will refund an amount of the Contract charge according to the pro rata method appropriate to the program guidelines and as set forth in the Vehicle Service Contract, less a cancellation fee (may vary by state).

F. Payment

All refunds will be made directly to the Dealer or the person authorized by the Dealer. The following states require cancellation refunds be made to the Lienholder when there is a Lienholder shown on the Registration Page of the Vehicle Service Contract, unless lien payoff documentation is provided: California, Illinois, Nevada. All cancellation refunds, regardless of payee, are sent to the dealer unless otherwise requested directly from the Vehicle Service Contract lienholder. Pursuant to section 1.e. of the Service Contract Dealer Agreement, the Dealer is responsible for refunding the full amount of any cancellation refund to the purchaser or any other party entitled to receive such refund under law.

G. Calculation

The Administrator's Customer Service Representatives can calculate the refund percentage on Vehicle Service Contract cancellations. Please call the Administrator at (877) 477-4251, for all calculations. Be prepared to provide the following Contract information (items a. through f.):

- a. Contract Number
- b. Customer Name
- c. Date of Cancellation
- d. Mileage at the time of Cancellation (does not apply to Powersports)
- e. Reason for Cancellation
- f. Your Dealer Account Number

The cancellation percentage will be supplied to you by the Customer Service Representative. (The Administrator's Customer Service Representatives will calculate cancellation refund percentages for the selling dealer only. **Do not** refer Contract Holders directly to the Administrator for cancellation quotes.) The effective date of the cancellation quote must be within 45 days of the date of request except in the case of repossession, stolen or totaled vehicles.

Cancellation Request forms can be obtained on VSCOnline, located under Agent/Dealer Resource, Download Forms. Cancellation quotes can be obtained on VSCOnline, located under Customer Service, Inquiry.

NOTE: When a cancellation quote is processed through VSCOnline or when calling into Customer Service, the Contract is automatically placed into a Pending status. This will ensure claims are not being authorized and paid on Contracts that are being prepared for cancellation. Contracts will remain in Pending status until the cancellation request with all required documentation is received or a signed letter from the customer is received notifying us that they are not canceling their Contract.

H. Cancellation Reporting & Refund Schedule

Please note that calling the Administrator's Customer Service does not constitute a request for cancellation and is strictly a quote. If the cancellation request and required documentation are not received in the Administrator's office within 45 days of the date the cancellation is to become effective, the cancellation date is subject to be changed in accordance with the guidelines herein (except in the case of repossession, stolen or totaled vehicles).

Cancellation requests with all required documentation can be mailed to the address shown on the Cancellation Request Form, faxed to 817-785-6704 ATTN: CANCELLATIONS, or emailed to autocancellations@warrantech.com.

For cancellation requests received with all required documentation on or by the:

13th - the cancellation refund will be issued and mailed on or about the 17th of the same month.

25th - the cancellation refund will be issued and mailed on or about the 7th of the following month.

**DO NOT CALCULATE ANY CANCELLATION WITHOUT ASSISTANCE FROM THE ADMINISTRATOR.
DO NOT DEDUCT CANCELLATIONS FROM REMITTANCES FOR NEW CONTRACT SALES.**

CLAIMS

The Vehicle Service Contract program utilizes a claims reporting and payment system that is outlined in 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.

All claims must be Registered with the Administrator prior to the commencing of any repair to the Vehicle.

The maximum that will be paid for any claim will be the amount Registered by the Administrator. In the case where a claim occurs at the Selling Dealer, prior to the receipt of any given Contract and payment thereof, the Administrator will Register a claim. However, final approval and payment will only be made upon receipt and acceptance of the Contract. If the claim occurs at a third party repair facility, the Contract Holder will be set up as the payee unless the Selling Dealer pays the repair facility directly (via sublet).

IMPORTANT: It is the responsibility of the Servicer to keep complete records of all transactions pertaining to the repairs made under Service Contracts pursuant to the Service Contract Dealer Agreement, which may be in electronic format. Such records shall be maintained for a period of time in accordance with regulatory record retention requirements.

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, left-hand 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.

Warrantech Automotive, Inc.

Customer Service: (877) 477-4251

B. Vehicle Teardown and/or Inspection

1. Teardown Policy - the Administrator may request that a component be torn down before issuing a Reference 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. The Contract Holder must authorize teardown, if teardown is requested.
2. The Administrator reserves the right to inspect any Vehicle at the time of Breakdown. Any repairs that are completed without allowing the Administrator an opportunity to inspect, will not be covered.
 - a. Should the Administrator request an outside inspection, immediately stop any repairs being performed. Do not complete the repairs. Should further teardown be necessary, discuss with the Administrator's Advisor, and obtain approval from the Customer to perform enough teardown to verify all failed parts.
 - b. Upon completion of the inspection, the Administrator's Claims Adjuster will issue a final disposition.

C. Submitting the Claim

For claims given a Reference Number with a repair cost agreed upon between the dealership and the Administrator:

1. Write the Reference Number, Vehicle Service Contract Number and Registered Claim Amount on a legible copy of the Repair Order signed by the Contract Holder. Payment cannot be processed if the Reference Number and Contract Number are not reported and/or the Repair Order cannot be read. A breakout of parts & labor for the registered repair as well as the customer's signature and phone number are required on the Repair Order to process payment.
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 and/or Car Rental.
5. Collect the applicable Deductible (if any) as shown on the Registration Page from the Contract Holder. If the Deductible box on the Registration Page is blank, the Deductible is \$100.
6. Registered claims must be submitted within sixty (60) days of the time of failure (may vary by state).

D. Claim Payment

The Administrator will submit payment for registered repairs and claim amounts upon receipt and verification of your completed, customer signed Repair Order, sublet bills (if any) and any other required documentation. Upon receipt of these items, claim payment will be made as follows:

1. The actual labor rate charged by Servicer cannot exceed the average retail labor rate charged by similar facilities in the same geographic area. If Servicer believes a higher labor rate is justified, the request must be submitted in writing to the Administrator prior to commencing the repair. The time authorized by the Administrator to complete a repair will be based on the most current nationally recognized labor manuals. We accept nationally published labor guides (including factory labor guides) at industry standard times, including Mitchell, Motor, Chilton, All-Data and Mitchell OnDemand.

- Sublet work will be reimbursed at Servicer's cost plus ten percent (10%) or \$75.00 (whichever is less); provided, however, that if the entire repair has been sublet, it will be reimbursed only at Servicer's cost.

Cost - If Dealer repair cost exceeds the reasonable cost, or 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 the Administrator reserves the right to assist the Dealer in either supplying the covered part(s) to complete the repair, or assisting the dealer in locating an alternative repair source.

Assistance in supplying parts will be limited to the following assemblies:

**Engine
Transmission, Drive Axle, Transfer Case
Steering Racks/Gear Box
A/C Compressor
Turbocharger**

- Car Rental will be paid at the rate of one day's rental, (in accordance with the amount shown in 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 labor manuals used by the Dealer. **A separate Rental Agreement from a licensed rental facility, signed by the Contract Holder, must be submitted.**

NOTE: If Rental applies, three days parts delay Coverage will be allowed for an internal repair or replacement of a major component (engine, transmission, drive axle assembly).

E. Method of Payment

The Administrator 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, payment will be made by a national MasterCard or Visa account, with approval from the Administrator and upon receipt of the Repair Order by the Administrator.

VSONLINE ISSUED/ENTERED VSCS

If you have not entered VSC's in VSCOnline and would like more information, please contact your Agent Representative for a demonstration or email Agent Dealer Services ("ADS") at wtechautoads@warrantech.com for assistance. If you have not entered a Claim in VSCOnline and would like more information on obtaining access, please contact Customer Service at wtechautoclaims@warrantech.com.

Registration Pages

- If the *Dealership generates a Registration Page in VSCOnline* (selects system generated and prints Registration Page from VSCOnline), the Administrator does not require that a copy of the Registration Page be attached to the VSCOnline Transmittal when remitting.
- If the Dealership sells a Contract, not generated on VSCOnline (but is entered through VSCOnline), a copy of the original, signed Registration Page must be attached to the VSCOnline Transmittal Form when remitting.
- Contracts left in VSCOnline for more than 30 days will have a letter generated and sent to the customer letting them know that payment for their Contract has not been received. Please contact the ADS Department for instructions to have Contracts removed from VSCOnline that are invalid. You may be asked for documentation.

Transmittals

The check total should equal the Balance Due on the VSCOnline Transmittal. Any individual Contract discrepancies must be noted on the VSCOnline Transmittal. If the discrepancies are not noted, monies will be applied systematically and not on a Contract by Contract basis.

Payment

Business entered on VSCOnline should be remitted to the PO Box and checks should be payable as noted on the Transmittal Form.

Claims Online

For Claims Online questions, please email Customer Service at wtechautoclaims@warrantech.com.

IF YOU HAVE ANY QUESTIONS REGARDING YOUR ACCOUNT OR UNDERSTANDING ELIGIBILITY, PLEASE CONTACT AGENT DEALER SERVICES AT 1-800-358-2655 OR WTECHAUTOADS@WARRANTECH.COM.

IF YOU NEED SUPPLIES, PLEASE CONTACT YOUR AGENT REPRESENTATIVE.