



Service Bulletin

File in Section: 00 - General Information

Bulletin No.: 11-00-89-005L

Date: February, 2018

WARRANTY ADMINISTRATION

Subject: Warranty Administration – Updated - Dealer Empowerment Labor Operations and Customer Enthusiasm (U.S. Only)

Models: 2019 and Prior GM Passenger Cars and Trucks

Attention: This Service Bulletin does not apply to ‘GM of Canada’ dealers.

This Bulletin has been revised to add the 2019 Model Year, update Policy Guidelines and add a Note at the bottom of the bulletin. Please discard Corporate Bulletin Number 11-00-89-005K.

The effective date of the requirements of this bulletin is February 1, 2018.

For some time now we have been working together to put the customer at the center of everything that we do. During this time, we’ve challenged you, our dealer partners, to be assertive on behalf of our customers and make effective use of the policy and goodwill tools available so that customers are satisfied and remain loyal to their vehicle brand and your dealership.

Over the past several years, we have extended increased levels of empowerment to our dealers and our team members so you can confidently do what is right to satisfy our mutual customers. And while this effort has been largely successful, the reality is that this strategic approach is not always consistent across different dealerships and different markets. In addition, several of you have requested that we provide

additional guidance to assist you in making effective decisions, on behalf of the customer, while expending resources in a cost-effective manner.

It is those requests, and the desire to continually improve the customer experience that are the basis for this bulletin, in which we will be documenting a tool and guidelines to further assist you and your employees in developing a more consistent professional approach to resolving customer issues while spending resources in a judicious manner.

Organizational Terms

The following chart should clarify the terms used to describe various payment categories used to satisfy customer requests for assistance. These terms will be used throughout this bulletin.

Resource	Definition
Warranty	Vehicle repairs within the time and mileage limitations of the applicable warranty coverage that are a result of a covered defect in materials or workmanship. • Example: Window Regulator is replaced during the applicable New Vehicle Limited Warranty.
Customer Enthusiasm	Vehicle repairs within the time and mileage limitations of the applicable warranty coverage that ARE NOT the result of a covered defect in materials or workmanship. • Example: Repair of a front air deflector due to customer not realizing how low it is.
Policy	Vehicle repairs outside of the applicable time and mileage limitations of the applicable warranty coverage. • Example: Wiper motor fails at 52,000 miles and GM pays for all or part of the repair cost.
Goodwill	Assistance expenditures made to satisfy the customer. • The term “Goodwill” does not refer to a vehicle repair. Repair outside of Warranty is “Policy.” • Goodwill is the term for the tools that are used to offset customer inconvenience or to offer additional protection and peace of mind. Details of the Goodwill tools are found later in this bulletin. • Example: Customer has had to return to the dealership for a repeat connectivity issue with OnStar and based on this customer’s unique situation, the service manager deems it appropriate to offer an extension to the customer’s OnStar subscription.

Resource	Definition
Special Coverage	<p>Extension of the warranty coverage of a specific vehicle component or system if an identified non-safety related failure occurs.</p> <ul style="list-style-type: none"> The necessary repair under a Special Coverage will be performed only if the Special Coverage is noted in IVH under the applicable warranty section and the vehicle exhibits the condition specified. Example: Extended coverage on the transmission shift cable for certain 3–5 wave plate vehicles.

Goodwill

As an alternative to paying for non-warranty repairs of the subject vehicle, GM encourages the use of the following tools to satisfy and retain the customer. Access to the Goodwill tool request forms and guidelines are available in the Dealer Aftersales Empowerment App of the Service Department section on Global Connect.

Important: Please note that some tools are not available in certain states or for use in a stop sale or recall situation, contact your District Manager of Aftersales for further direction).

- OnStar®** – Plan Upgrade, Calling Minutes, past Subscriber Activation, Customer Activation Options.
- Maintenance Letter** – Letter issued to the customer for \$50 or \$100 towards a one-time service or maintenance visit.
- Component Coverage Letter (CCL)** – Letter issued extending coverage of a designated vehicle component for a specific time frame.
- Sirius XM Subscription** – An All Access based subscription.
- Data Plans** - Complimentary data package of specific size and time duration downloaded into a customer's vehicle equipped with 4G LTE functionality.
- Chevrolet, Buick, GMC, and Cadillac Protection Plan** – A service contract covering various vehicle components & systems and issued for various time and mileage intervals & deductibles.
- Chevrolet, Buick, GMC and Cadillac Tire & Wheel Protection Plan** Repair or replace wheels and/or tires that are damaged due to road hazards.
- Chevrolet, Buick, GMC and Cadillac Pre-Paid Maintenance Plan** - Pre-Paid Maintenance Plans include oil changes, tire rotations and fluid top-offs. Customers can use the number of services offered in the Plan whenever they like within the term and mileage parameters of the plan.

GM may add additional tools in the future, please consult the Dealer Aftersales Empowerment application in Global Connect for additional details.

The following categories of Goodwill Tools are to be processed via the Global Warranty System

Specialized labor operations have been created for specific non-repair/non-warranty situations to be utilized by the dealer for goodwill purposes such as

resolving a customer inconvenience or dissatisfaction with their vehicle or the service provided. Requirements for the claim submission of these labor operations are specified in the Service Policy and Procedures Manual Article 8.6.1.

Note: If a vehicle is included in a recall situation, DMA pre-approval is required.

Spontaneous Goodwill Maintenance (0600343)

Dealer provides complimentary goodwill maintenance, consistent with GM recommendations contained in the customer's owner's manual, when a customer was not issued a maintenance letter or other tools. Labor operation 0600343 should be used for this claim submission. There is a \$100 maximum for usage of the labor operation. The transaction must be submitted with the exact amount of the complimentary maintenance. GM is not to be charged more than what is customary.

Incidental Non-Warranty Expense (0600015)

Dealer agrees to reimburse a customer for reasonable expenses incurred as a result of the service repair. Examples are: hotel expenses, meal expenses, flowers, or other appropriate expenses to compensate the customer for inconvenience. There is a \$500 maximum for retail usage and the transaction should be submitted using labor operation 0600015.

Vehicle Payment Expense (0600005)

Dealer, in unique circumstances, may determine it is appropriate to reimburse the customer for a vehicle payment for their GM vehicle experiencing service issues. Labor operation 0600005 is only to be used for this goodwill tool and a \$1000 maximum for retail usage exists for this operation. A transaction using this labor operation should be submitted with the explanation of the situation in the Complaint/Cause/Correction fields, along with the exact dollar value of the monthly payment (including method used to determine or calculate the payment amount) and the check number issued to the customer as reimbursement.

Important: These labor operations have specific applications and any inappropriate use will result in a credit reversal. Refer to the Dealer Empowerment section of the Service Policies and Procedures manual, Article 8.6.1 for Compliance.

Customer Enthusiasm Repair-Non Warranty

A Customer Enthusiasm Repair is a repair performed with GM participation, within the warranty period, where the product issue is NOT the result of a defect in material or workmanship. This expense would normally be customer responsibility and in this unique instance, the dealer is requesting GM assist in the repair cost to ensure customer loyalty. The transaction must be

submitted using the published repair operation with the "Customer Enthusiasm-Non-Warranty Repair" indicator selected.

Note: These type of repairs are not covered by the New Vehicle Limited Warranty, a 50% Customer Participation is recommended.

- Example: Customer's vehicle has a cut in the rear seat back at 8,000 miles. This is clearly not a defect in material or workmanship and therefore would not be a warranty repair. Based on the facts and circumstances and the customer's history with the dealership, the service manager would like to fix the customer's issue and submit this to GM for reimbursement of 50 % even though it is a non-warrantable repair. The transaction would be entered as a ZREG using the rear seat back labor operation with the Customer Enthusiasm-Non-Warranty Repair box checked, the full amount of parts and labor input and the Customer participation amount input into the Customer/Service Agent Participation field. The Complaint, Cause, and Correction fields must document the situation including the substantive reasons for the decision.

When not to use: Customer Enthusiasm must never be used in situations where there was a warranty defect that caused the customer's concern, repeat repairs resulting from a warrantable failure, assembly replacements instead of repair for customer satisfaction, etc.

- Example of inappropriate use: Customer's vehicle has no reverse at 2,000 miles. 3-5R clutch housing damaged. Transmission replaced versus repaired due to low mileage. Even though the cost comparison shows it is more cost effective to repair the unit, it is being replaced for customer satisfaction.

Important: All examples in this Bulletin assume certain facts. You should evaluate each customer's situation on a case-by-case basis. Customer Enthusiasm is not to be used for divisional/brand maintenance programs, reimbursements, accessories, sales incentives, or anything non-repair issues.

Policy Guidelines - Incorporating the Policy Evaluation Tool

The guidelines are being used to:

- Create a Policy strategy which drives increased service and sales retention.
- Develop consistent decision making practices / processes among dealers, field and Customer Assistance Center (CAC) representatives.
- The guidelines are only to be used after a decision to assist has been made.

The guidelines are NOT being used to:

- Discourage taking care of our customers.
- Impose a rigid "one size fits" all approach to issue resolution.
- Disregard facts or circumstances that make a particular customer's situation unique.

The level of participation by GM is to be determined by the following:

- The online Policy Evaluation Tool must be executed by providing all the required information and most importantly using the Total Repair Cost at warranty rates on the form. The tool reviews the customer's total GM engagement at a household level to determine GM Participation level for the Total Repair Cost provided.
- The participation amount is calculated using the online Policy Evaluation Tool. The print version of the tool must be attached to the hard copy of the job card as well as the electronic claim transaction.
- If there is an approved deviation to the GM Participation amount noted on the policy tool form, a copy of the DMA Pre-Approval form MUST be attached to the hard copy of the job card. This holds true for every line on the job card that has been adjusted to the amount noted on the policy tool form. In addition, Service Management must explain the reason for adjustment on the hard copy. Vague reasons such as "for customer satisfaction", "good customer", etc. are not sufficient.
- If the component's coverage is not listed in the Component Warranty Coverage field dropdown list on the Policy Tool form, select either the Bumper to Bumper or the Powertrain Coverage option, whichever is most appropriate to the repair, along with the time and mileage end dates of that coverage to determine the starting level of participation. You will need to use your judgment to determine if this level of participation is appropriate.

Important Notes:

When presented with a customer situation that requires you to determine whether to perform a Policy repair, your decision-making process must treat each case as a unique set of circumstances and each customer's situation must be evaluated on a case-by-case basis.

As the majority of Policy repairs are isolated and unique, the participation applies to each Policy labor operation on the job card. The Customer and/or Service Agent participation **MUST** be documented in the Customer/Service Agent participation field of the Global Warranty Management (GWM) system transaction. The service manager must authorize the policy adjustment prior to the claim being submitted. This authorization must be in the form of an explanation, signature/initials, time, and date (reference GM Service Policies & Procedures manual, Article 3.2.13).

Document in the job card the substantive reasons and pertinent facts and circumstances supporting the assistance. The reasons supporting GM assistance should be abundantly clear to an objective third party reviewing the job card that has not been involved in the customer decision-making process. Short general comments such as "good customer" or "out of warranty" are not sufficient. Document your decision-making process as well as the reasons for adjustment in some detail.

It is important to document the participation amount in the Customer/Service Agent participation field in GWM when submitting the claim. Failure to document the participation amount in the Customer/Service Agent participation field may result in a charge back for the applicable amount. See below for Customer/Service Agent participation amount transaction process details.

Customer/Service Agent Participation Amount Transaction Processing

When the customer or the dealer agree to participate in the cost of the repair, the transaction is to be submitted in the following way:

Enter the labor, parts, net item as if GM was going to cover the repair under warranty. Note, as per section 2.2.2 of the 2017 GM Service Policies and Procedures manual, "When a "partial" adjustment is made, the entire repair must be calculated at warranty rates."

1. Enter the Customer / Service Agent Participation amount in the "Customer/Service Agent Participation Amount" field as a positive number.
2. The transaction will be reduced by this amount and pay the dealer net (total less participation amount) amount.

Example: A 5-year-old (750 days out of warranty) Tahoe with 67,000 miles is in for an Upper Control Arm repair. Based upon the results of the Policy Evaluation Tool, the customer is satisfied with GM participating at 50% of the repair cost. The dealer submits for 4.4 hours of labor, \$215.86 in parts and \$86.35 in parts markup for a total transaction amount of \$679.36. The dealer then inputs 339.68 in the Customer/Service Agent Participation Amount field. The dealer will receive \$339.68 through the GWM system.

This procedure will give full transparency to the amount of participation, allow for verification that the dealer is collecting the participation and will minimize unnecessary transaction processing issues due to miscalculations.

If the Online Policy Evaluation Tool is not available due to a system issue, we are relying on our dealer service management personnel to engage with the customer and to make the best, balanced business decision possible.

Supporting Factors:

- Loyal GM new vehicle customer and/or loyal service customer (purchase of a protection plan, number of vehicles purchased, level of service business as shown in Service Workbench, etc.)
- Original owner
- Repeat repairs related to current vehicle issue
- Type of repair
- High incurred customer expense to repair "out of warranty" issues

Limiting Factors:

- Purchased as a used vehicle (non-Certified)
- Well beyond vehicle or component's warranty expiration
- Cause is not normally covered by warranty (misuse, abuse, neglect, accidental damage, lack of maintenance)
- Customer does not appear to take good care of the vehicle
- Expenses incurred due to damage from an accident that insurance will not cover

Pre-Approval Process

When a policy repair requires pre-approval, the dealer is required to contact their District Manager Aftersales for approval utilizing the Pre-Approval request form that is available in the Dealer Aftersales Empowerment App in the Service Department section of Global Connect. If you do not have the link, please contact your dealership's Partner Security Coordinator (PSC) to obtain access. The complete Pre-Approval process can be found in the Service Policy and Procedures manual Article 3.2.13

Vehicles with Aftermarket Service Contracts

If a vehicle has an active service contract, all transactions submitted outside of the terms of the new vehicle warranty will require authorization to ensure that the customer first uses the benefits of the service contract they purchased. To request approval, the dealer must document the current contract status (expired, component not included, owner not party to the contract, etc.). This information must be submitted in the comments section and documented in the vehicle's service file.

Note: Goodwill tools are not available for fleet vehicles.