



Service Bulletin

File in Section: 00 - General Information

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

Date: December, 2012

WARRANTY ADMINISTRATION

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

Models: 2013 and Prior GM Passenger Cars and Trucks

Attention: This service bulletin does not apply to 'GM of Canada' dealers. Dealers in Canada should continue to refer to the Goodwill section on the Warranty Administration Homepage in GM Global Connect for the most recent information and updates to the GM of Canada 'Enable and Empower Project.'

This bulletin is being revised to remove bullet #5 under The Policy guidelines are Not being used to: heading. Please discard Corporate Bulletin Number 11-00-89-005B (Section 00 – General Information).

The effective date of the requirements of this bulletin is October 17, 2012.

For some time now we have been working together to be even more focused on our customers and to put them first in 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 that you can confidently do what is right to satisfy our mutual customers. And while this effort has been largely successful, the reality is that the strategic approach is not always consistent across different dealerships and different markets. In addition, with more and more of your employees engaged in doing what's right for the customer, several of you have requested that we provide additional guidance to assist you in training them to make good quality 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 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 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 written warranty period that are a result of a covered defect in materials or workmanship. <ul style="list-style-type: none"> • Example: Ignition lock cylinder is replaced during the 3 years/36,000 mile New Vehicle Limited Warranty.
Customer Enthusiasm	Vehicle repairs within the time and mileage limitations of the written warranty period that ARE NOT the result of a covered defect in materials or workmanship. <ul style="list-style-type: none"> • Used in rare/unique circumstances. • When submitting a transaction for repairs that are Customer Enthusiasm, be sure to select Customer Enthusiasm in the Job Card Transactions Detail section of GWM. • 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 written warranty period. <ul style="list-style-type: none"> • Example: Wiper motor fails at 52,000 miles and GM pays for all or part of the repair cost. • When submitting a transaction for repairs that are Policy, be sure to select Policy Flag in the Job Card Transactions Detail section of GWM.
Goodwill	Assistance expenditures made to satisfy the customer. <ul style="list-style-type: none"> • 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. <ul style="list-style-type: none"> • Example: An Owner Loyalty Certificate (OLC) is offered to a customer who is in the market for a new vehicle due to continued out-of-warranty transmission issues.
Special Coverage	Extension of the warranty coverage of a specific vehicle component or system if an identified non-safety related failure occurs. <ul style="list-style-type: none"> • The necessary repair under a Special Coverage will be performed only if the specified condition is present in the vehicle. • Example: Extended coverage on the transmission shift cable for certain Saturn vehicles.

Customer Enthusiasm Repair-Non Warranty

A Customer Enthusiasm Repair is a repair performed within the warranty period when the product issue is not covered by the New Vehicle Limited Warranty but the dealer/customer wants GM to cover the repair to ensure customer loyalty. In these instances, when the transaction is being submitted for reimbursement, the dealer should use the repairing labor operation and select the "**Customer Enthusiasm-Non Warranty Repair**" check-box.

Important: Do not select Customer Enthusiasm if the vehicle is beyond the terms of the applicable warranty – by definition post warranty repairs are Policy transactions. ALSO: All examples in this Bulletin assume certain facts. You should evaluate each customer's situation on a case-by-case basis.

- **Example 1: A customer comes into the dealership and states their keyless entry fob on their 2010 SRX with 24,000 miles was inadvertently lost by their college age son who was unfamiliar with the keyless start system. This is not a defect in material or workmanship and therefore is not covered by the New Vehicle Limited Warranty. However, based on the customer's situation, previous repairs for other issues and to maintain customer satisfaction, it is determined that GM will cover 66% of the \$150 cost to replace the transmitter and re-program the system. To do this, the transaction would be entered as a ZREG using the R4482 Remote Control Door Lock and Theft Deterrent Transmitter Replacement labor Operation, the Customer Enthusiasm-Non Warranty Repair box checked, the full amount of parts and labor input and the \$50 Customer participation input into the Customer/Service Agent Participation field. The Complaint, Cause, and Correction fields must document the situation including the reason for the decision.**

Important: The Complaint, Cause, and Correction fields must document the specific situation including the substantive reason, for the decision.

- **Example 2: Customer's vehicle has a cut in the rear seat back at 8,000 miles. This is not a clear 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 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 Complaint, Cause, and Correction fields must document the situation including the substantive reasons for the decision.**

Policy Guidelines

Earlier in 2012, General Motors introduced Policy Guidelines to document the boundaries of vehicle Policy repairs. Now that they have been in market, it has become clear that there is some confusion on how and when to use them. To simplify the process, GM is launching a revised set of guidelines that are documented below.

The Policy 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 CAC representatives.
- Document mandatory minimum customer / dealer participation amounts at varying time and mileage intervals once a decision to provide assistance has been made.

The Policy guidelines are NOT being used to:

- Discourage taking care of our customers.
- Impose a rigid "one size fits" all approach to issue resolution.
- Drive a particular decision – the guidelines are only to be used after a decision to assist has been made.
- Disregard facts or circumstances that make a particular customer's situation unique.

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.

Some things to consider in the decision making process includes the following:

- The customers expectations.
- Type of repair.
- Vehicle age and mileage.
- Overall condition and maintenance level of the vehicle.

- Customer loyalty to GM or to your dealership.
- Similar previous repairs performed under warranty.
- Current or previous damage from collision, abuse or misuse.
- Customer point in purchase cycle.
- Active Service contract.

If you decide that some level of assistance is appropriate, you will need to do the following:

- Based upon the result of your review of the particular case, you will need to determine and agree with the customer / District Manager Aftersales (if required) to an appropriate level of GM assistance for repair. **In addition to the concept of a declining level of GM support as the vehicle's age and mileage increases there is a required minimum customer / dealer participation amount as outlined below.**
- The mandatory minimum amount of customer / dealer participation must be documented in the "Customer/Service Agent Participation Amount" field as described in the next section. Please note that this is a minimum amount and that based upon the business case, a higher amount of customer / dealer participation may be warranted. The minimum amount will be the greater of the two amounts from the time and mileage tables below.

Important Mandatory Minimum Notes

- If the cost of repair under warranty rates is less than the indicated mandatory minimum amount then there will be no GM participation.
- As the majority of Policy repairs are isolated and unique, the mandatory minimum applies to each Policy labor operation on the job card.
- The mandatory minimum amount and any other customer or dealer participation **MUST** be documented in the Customer / Service Agent participation field of the Global Warranty system transaction (see section below).

Important: Failure to document the minimum amount in the Customer/Service Agent participation field may result in a charge back for the applicable amount.

- 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.
- Providing assistance on a vehicle that is beyond 8 years old should only be considered under rare circumstances. As an alternative for these and other circumstances where repair assistance is inappropriate, consider using one of the Goodwill tools that are described later in this bulletin.

TABLE 2

Powertrain Coverage (2007 Model Year +)

Bumper-to-Bumper Coverage	
Beyond New Vehicle Limited Warranty Repairs in the following repair groups:	
<ul style="list-style-type: none"> • Clutch • Engine Cooling • Engine/Mechanical • Rear Axle/Suspension • Transfer Case • Transmission (Manual and Auto) 	

Time and Mileage Table (Chevrolet, GMC, Pontiac, Saturn)

Customer/Dealer will pay greater of Minimum \$ amount or % of total repair as indicated in the applicable table below.						
Days out of Warranty						
Miles out of Warranty		0	1 – 365	366 – 730	731 – 1,095	1,096 +
	0	In Warranty	40% or \$300	55% or \$400	70% or \$500	Pre-Approval
	1 – 12,000	40% or \$300	40% or \$300	55% or \$400	70% or \$500	Pre-Approval
	12,001 – 24,000	55% or \$400	55% or \$400	55% or \$400	70% or \$500	Pre-Approval
	24,001 – 36,000	70% or \$500	70% or \$500	70% or \$500	70% or \$500	Pre-Approval
	36,001 +	Pre-Approval	Pre-Approval	Pre-Approval	Pre-Approval	Pre-Approval

TABLE 3

Time and Mileage Table (Buick, Cadillac, HUMMER)

Customer/Dealer will pay greater of Minimum \$ amount or % of total repair as indicated in the applicable table below.						
Days out of Warranty						
Miles out of Warranty		0	1 – 365	366 – 730	731 – 1,095	1,096 +
	0	In Warranty	40% or \$200	55% or \$300	70% or \$400	Pre-Approval
	1 – 12,000	40% or \$200	40% or \$200	55% or \$300	70% or \$400	Pre-Approval
	12,001 – 24,000	55% or \$300	55% or \$300	55% or \$300	70% or \$400	Pre-Approval
	24,001 – 36,000	70% or \$400	70% or \$400	70% or \$400	70% or \$400	Pre-Approval
	36,001 +	Pre-Approval	Pre-Approval	Pre-Approval	Pre-Approval	Pre-Approval

TABLE 4

Emissions Coverage	
Beyond New Vehicle Limited Warranty Repairs in the following repair groups:	
<ul style="list-style-type: none"> • Engine Emissions • Fuel/Exhaust 	

Time and Mileage Table (Chevrolet, GMC, Pontiac, Saturn)

Customer/Dealer will pay greater of Minimum \$ amount or % of total repair as indicated in the applicable table below.			
Days out of Warranty			
Miles out of Warranty		0	1 +
	0	In Warranty	Pre-Approval
	1 – 12,000	70% or \$500	Pre-Approval
	12,001 +	Pre-Approval	Pre-Approval

TABLE 5

Time and Mileage Table (Buick, Cadillac, HUMMER)

Customer/Dealer will pay greater of Minimum \$ amount or % of total repair as indicated in the applicable table below.			
Days out of Warranty			
Miles out of Warranty	0 -		1 +
	0	In Warranty	Pre-Approval
	1 – 12,000	70% or \$400	Pre-Approval
	12,001 +	Pre-Approval	Pre-Approval

TABLE 6

Examples:

- An original owner of a 2008 Chevrolet Silverado is asking for assistance with a seized air conditioning compressor at 13 months (395 days) and 4,000 miles out of warranty. The customer has not had any previous issues with the AC system and has maintained the vehicle. You have determined that based upon the customer's history and the repair, that a Policy repair is warranted and that only the mandatory minimum is appropriate for this situation.
 - Based upon Table 1 the mandatory minimum is 25% or \$200 whichever is greater.
 - The repair at warranty rates is \$860 ($\$860 \times 25\% = \215), the minimum mandatory participation amount is therefore \$215.
- A second owner of a 2006 Buick LaCrosse has brought in the vehicle with a broken lower control arm. Upon review you notice that the vehicle has not been properly maintained, has aftermarket 20" wheels and has recently been involved in a collision. The car is 1,100 days and 48,000 miles out of warranty. You decide, based upon the circumstances, that neither General Motors nor the dealership will provide assistance for this repair.
- A customer who has purchased numerous vehicles from your dealership over the last 15 years has a 2007 Cadillac CTS with 125,000 miles with a water pump failure. The vehicle maintenance is somewhat mixed and it seems to have been driven hard. Based upon your review, you do not feel that GM is responsible for this repair.
 - Based upon your dealership's relationship with this customer, you choose to do the repair for this customer at a greatly reduced cost and adjust the repair internally.
- An owner of 2010 GMC Terrain that is 25 months (750 days) in service with 60,500 miles has an inoperative passenger seat lumbar support actuator replacement. The customer recently moved into your area from another state. According to Service Workbench, the customer has maintained the vehicle properly and the vehicle's interior and exterior are in excellent condition.
 - Based upon Table 1 the mandatory minimum factor is 40% or \$300 whichever is greater.

- The repair at warranty rates is \$230 ($\$230 \times 40\% = \92), however, this is well below the \$300 mandatory minimum participation amount.
- Based upon the circumstances in this case, you decide to reduce the mandatory minimum to \$92. You document the decision making process and attach to the 'hard copy'.

Customer/Service Agent Participation (including Mandatory Minimum) Amount Transaction Processing

When the Customer or the Dealer agree to participate in the cost of the repair, it is important that the transaction 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 1.5.4 of the 2012 GM Service Policies and Procedures manual, "When a "partial" adjustment is made, the entire repair must be calculated at warranty rates."
- Enter the amount that the claim will be reduced by in the "Customer/Service Agent Participation Amount" field as a positive number (including the Mandatory minimum amount).
- The transaction (once accepted) will be reduced by this amount and pay the dealer the agreed upon 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 policy guidelines in Table 1 (40% or \$300), the condition of the vehicle and the customer's profile, the customer is satisfied with GM participating at 50% of the repair cost (including the mandatory minimum of \$300). 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 involved and will minimize unnecessary transaction processing issues due to miscalculations.

Vehicles with Aftermarket Service Contracts

If a vehicle has an active GMPP contract, transactions will automatically validate the coverage of the Labor Operation request, provided the transaction is

submitted properly. If, however, the service contract is not a GMPP instrument, 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.

Pre-Approval Process

When the policy repair requires pre-approval, the dealer is required to contact their District Manager Aftersales for approval. The DMA will submit the pre-approval to the warranty support center for transaction completion.

Goodwill

As an alternative to paying for the repairs of the subject vehicle, GM encourages the use of the following tools to satisfy and retain the customer.

The following Goodwill tools are available to the Dealer in support of customers but are processed by way of the Customer Assistance Center (CAC) or your District Manager Aftersales and NOT via the Global Warranty System (please note that some tools are not available in certain states).

- **OnStar®** – Plan Upgrade, Calling Minutes, past Subscriber Activation, Customer Activation Options.
- **Maintenance Letter** – Letter issued to the customer by CAC to the customer to cover a one-time future maintenance visit up \$100.
- **Component Coverage Letter (CCL)** – Issued by CAC to extend coverage of a designated vehicle component for a specific time frame.
- **GM Motor Club** – An Automotive Club Membership
- **GMPP Smart Care** – A complimentary plan providing basic lube, oil, filter and tire rotation maintenance service for GM recommended time and mileage intervals.
- **GM Protection Plan** – A service contract covering various vehicle components & systems and issued for various time and mileage intervals & deductibles.
- **Owner Loyalty Certificate** – A certificate requested by your DMA that can be used toward the purchase of a new vehicle. NOTE: OLCs are only available on vehicles outside the warranty period.

Note: Owner Loyalty Certificates (OLCs) are redeemed through the New Vehicle Sales Retail Incentive system. OLCs must not be alternatively processed through the Global Warranty Management system. **An OLC must be supported, approved, and processed by a GM District Manager-Aftersales.**

Refer to GM Dealer Aftersales Empowerment - Goodwill Request Form messages on Global Connect for details, forms, and application of each tool.

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:

- The original receipts/invoices must be attached to the job card.
- A copy of the check must be attached to the job card and the check # is required within the comments field of the claim.
- The complaint, cause and correction fields must include detailed comments. (Vague comments such as "reimbursement or vehicle payment" are not sufficient.)
- Upon request from any GM representative a copy of the cancelled check must be provided to that representative.

Spontaneous Goodwill Maintenance (Z7410)

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 **Z7410** 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.

Example of proper use: Customer has had to return to your dealership for a repeat issue and the service manager, based on this customer's situation, deems it appropriate to offer a free oil change for the inconvenience. Submit a transaction using ZREG and labor Op. Z7410. If the dealer is advertising a \$19.99 special when that maintenance is performed, submit \$19.99 in the net item miscellaneous field. In accordance with GM Service Policies & Procedures, a copy of the job card must be retained in a VIN history file. The Complaint/ Cause/ Correction fields must document the situation including the decision for goodwill coverage.

Example of IMPROPER USE: Customer complains that the side wall of his Goodyear tire has a bulge that is determined to be a defect in material and workmanship. The tire is replaced and the claim is submitted for \$85.00 on the Z7410 operation. This is an invalid transaction; as it should be submitted on the appropriate labor operation for tire replacement (E0431).

Incidental Non-Warranty Expense

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 Z7920.

Example of proper use: Customer is traveling out-of-state and is towed to your dealership due to a failure. The service manager has decided it appropriate to pay for one night hotel's stay and meals. Submit a transaction using Z7920 with the explanation of the situation in the Complaint/Cause/Correction fields, along with the exact dollar value of the hotel, meal breakdown, the check number which was issued to the customer as reimbursement.

Example of IMPROPER USE: Customer needs transportation to a local school to pick up their children while vehicle is in for warranty repairs. The dealer provides the customer with a \$50 gift card to compensate for the cab fare to and from the school and inconvenience. Reimbursement for actual cab fare should be submitted on the appropriate warranty repair labor operation using the net item of Public Transportation with the correct documentation (receipts) for the cab fares.

Vehicle Payment Expense (Z7091)

Dealer, in unique circumstances, may determine it is appropriate to reimburse the customer for a vehicle payment for their GM vehicles experiencing service issues. Labor operation Z7091 is only to be used for this goodwill tool and a \$1,000 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. The receipt/invoice must be attached to the job card.

Example of proper use: In the rare instance a customer's vehicle has taken 4 weeks to complete the repair, for customer satisfaction reasons the service manager deems it appropriate for GM to reimburse the customer for that month's vehicle payment. The transaction should be submitted as a ZREG using Z7091 and place amount being reimbursed in the net item- customer reimbursement field. Place the check number in the invoice field. The Complaint, Cause, and Correction fields must document the situation including the reason for the decision.

Example of IMPROPER USE: A vehicle is in for repairs and the customer requests alternate transportation as well as a reimbursement for the vehicle payment for the period being worked on. The dealer submits for 2 weeks of rental and 15 days of vehicle payment. In this case, the rental should be submitted through the appropriate warranty repair labor operation using the net item of Car Hire and the payment expense, if deemed appropriate on the Z7091 operation.

Important

THESE LABOR OPERATIONS ARE NEVER TO BE USED FOR:

- Gift cards, debit cards, Smart Cash or any other instrument that cannot be verified as having been utilized by the specific customer.
- GM paid repairs performed to a vehicle. These must be submitted with the appropriate Labor Operation.
- Payments or incentives of any nature related to sales (including but not limited to delays in vehicles being produced, and transportation damage).
Payments to a customer for sales issues are considered to be arbitrary and are never to be submitted under a service related transaction. These include but are not limited to: Extending a lease for a customer, and purchasing a GMPP for a sales issue.
- Trade assistance of any form.
- Any arbitrary payment. This includes but not limited to: Loss of wages, and pain and suffering.
- To change/modify or otherwise alter the build of any General Motors vehicle.

Note: Tires – To adhere to the Federal TREAD Act, it is important to follow Corporate Bulletin Number 00-03-10-003 for all tire repairs and/or reimbursements. Use the appropriate tire labor operation from the Labor Time Guide and follow all requirements that the bulletin describes. This includes reimbursements for a tire repair not performed at a GM dealership, which is within the Tire warranty limits. The bulletin explains claim submission in detail.

Note: Product Allegations – Refer to Article 4.1.5 in the Service Policies & Procedures Manual in situations relating to a product allegation. For any questions regarding a situation, please contact CAC for direction.

All Customer Reimbursements are to be made only to the person who owns or leases the vehicle at the time of repair, or the person who incurred the expense, if different. Dealer should obtain and retain the customer's original paid receipt or invoice and provide the customer with a photo copy for their records.

Job Cards written for customer reimbursement must include the customer's description of the event causing the out-of-pocket expense and note the Dealer's reimbursement check number(s). Dealer is to provide canceled check upon request as proof of reimbursement. Refer to Article 1.5.15 in the GM Service Policy and Procedures Manual for additional information.

