



Service Manager Bulletin

TITLE:
Volvo Goodwill Policy

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“Right first time in Time”

This updated bulletin supersedes the previous version dated 9/7/16. It is imperative that this updated bulletin be reviewed in its entirety as there have been changes made to the Goodwill Policy Guidelines as well as an updated Goodwill Prior Approval Log for Level “A” self-authorizing retailers.

GOODWILL CLAIM POLICY & GUIDELINES

Sections I - VII below, apply to all Goodwill claims with the exception of The Goodwill Rental Car Assistance Program and Non-Technical Goodwill Claims which are outlined in Sections VIII and IX.

I. Volvo Goodwill Philosophy

Goodwill is not just financial assistance; it is an opportunity to build strong relationships which are the foundation of long term customer retention. Customers base their purchase/repurchase decisions on the quality of service and the “ownership experience.” In this environment, retailer personnel and processes are important resources for retaining Volvo customers.

II. Volvo Goodwill Policy

Occasionally, customers request financial assistance when the new car limited warranty, CPO limited warranty and/or the VIP extended warranty does not apply. These requests may be considered if it will enhance owner retention. Retailers should request financial assistance for their customers by contacting their Aftersales Market Manager (AMM), if they are not a self-authorizing (Level “A”) retail facility.



A. Volvo Goodwill Spending Guidelines: *Updated*

Age and mileage limits are provided as guidelines for most goodwill decisions. These are not hard and fast rules. Each customer is unique and there may be situations where goodwill is appropriate beyond the guidelines. The amount of assistance will vary based upon customer expectations. There is no substitute for good judgement in decision-making. Volvo's New Goodwill guidelines are:

- 8 years (96 months)/80,000 miles from the original in service date
- Age/mileage should be whichever comes first
- \$500 max amount.
- One (1) goodwill claim per visit. Max 3 goodwill claims per VIN.
- Authorization from a Volvo Aftersales Market Manager (AMM) is required for out of guideline situations. Assistance offered beyond 8 years /80,000 miles or over \$500. Regardless of a retailers Goodwill authorizing level, **ALL** Goodwill Rental Car Assistance Program claims and Non-Technical Goodwill claims must be reviewed and authorized by the Aftersales Market Manager.

B. “Out of Guidelines” Spending:

Any Goodwill decision beyond the specified guidelines must have prior approval from a Volvo Aftersales Market Manager. This applies to all retailers, including Level “A” (self- authorizing). This is not an effort to reduce retailer effectiveness. It is an opportunity for Retail Facility Goodwill Representatives to seek advice from their Aftersales Market Manager.

C. Consideration for Goodwill Assistance:

In considering a customer’s request for Goodwill, it is important to weigh the merit of that case individually and completely. The following are other factors that you may want to consider in addition to the guidelines:

- Repeat/multiple Volvo owner
- Car is serviced regularly with a Volvo retailer
- Repairs impacting the safety or reliability of the car
- Transient and relocated owners should be given equal consideration under this policy.

Volvo Goodwill should **not** be considered for any of the following:

- Repairs made by a non-Volvo retailer
- Substandard or improper repairs and any consequential failures
- Failure of component or consequential failures due to use of non-Volvo parts
- Normal wear, accidents, damage, misuse or improper maintenance
- Repairs that could be covered by an existing warranty or extended service contract
- Repeat repairs
- Claims and repairs that have been previously submitted for payment under warranty or CPO and were returned unpaid or adjusted



- Retailer administration issues (late claim submission, failure to obtain prior approval, etc.)
- Maintenance Programs (FSM), Marketing Programs (i.e. Safe + Secure, Carefree Coverage etc.)
- Other customer satisfaction programs previously or currently offered outside the parameters of this Goodwill Policy (i.e. Enhanced Customer Experience Goodwill Policy)
- Repairs denied under warranty
- No Fault Found (NFF)
- Customer pay repairs declined by the customer
- Damage caused by retailer/technician error
- Grey Market Vehicles
- Aftermarket Parts
- Salvage title or warranty void vehicles
- Reconditioning of used vehicles
- Add on repairs
- Damage/Repairs covered by the vehicle owner's Insurance
- Reimbursement for previous repairs
- Animal/Pet/Rodent damage
- Consequential damage including, but not limited to, commercial loss, lost wages, loss of perishables, property damage etc.
- Wholesale
- Goodwill will not be considered for circumstances which occur prior to a customer's vehicle experience. These would include, but not limited to, circumstance such as:
 - ◆ Change in new vehicle incentives
 - ◆ Incorrectly specified factory options, color, etc.
 - ◆ Delays in transport beyond VCUSA control, etc.
 - ◆ Vehicles in Retailer Inventory

D. Parts/Accessory Warranties on Goodwill Repairs:

Genuine Volvo Parts and accessories used in a Goodwill repair will be covered under the applicable Genuine Volvo Accessories **or** Volvo Lifetime Replacement Parts and Labor Warranties (e.g. 5 year prorated battery, lifetime muffler, etc.)

III. Retailer Authorization Levels

There are two levels of authorization:

- Level "A" - self- authorizing
- Level "B" or authorization that requires the Aftersales Market Manager approval for payment of Goodwill claims



A. Level “A” - Self Authorizing Retailers:

Level “A” retail facilities are self-authorizing. This means that Volvo Goodwill claims that are **within the guidelines provided** will be paid; without regional prior approval. Aftersales Market Manager approval is required for all Volvo Goodwill claims beyond the provided guidelines (see: Section II, B. “Out of Guidelines” Spending).

Level “A” Criteria: Authorization for Level “A” will be granted or removed by Volvo Regional Management. To qualify for Level “A” status, retailers must meet and maintain the following criteria:

The Volvo Service Manager must be “Goodwill” certified. They will be responsible for Volvo goodwill decisions at the retail facility. Requirements for certification are:

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1. The retail facility must have its own Goodwill budget. Actual retailer- Goodwill expenses must be recorded on the appropriate line on the retailer’s financial statement (see Fig 1)
2. Verified knowledge of Goodwill process (assessed by the Aftersales Market Manager)
3. The retail facility Service Manager must complete and maintain the Goodwill Log.
4. The retailer agrees to comply with all the policies and procedures as defined by this Goodwill program.
5. The retailer must have a documented process for the proper handling of repeat or related repair concerns. (Reference SMB 00-97)
6. Must be in good standing with managing retailer open customer care contacts.
7. The retailer must maintain Level 0, 1 or 2 within the Warranty Retailer Counseling Process (WRCP) as outlined in Warranty Policy and Procedures Manual (WPPM).

Note: *Level “A” retailers must obtain approval from their Aftersales Market Manager (AMM) for any vehicle still within the new car limited warranty.*

B. Level “B”: All Other Retailers:

The Volvo Aftersales Market Manager’s prior approval is required for ALL Volvo Goodwill claims.

IV. PARTICIPATION

Volvo

Volvo’s Goodwill program is a powerful tool for customer retention. It is a demonstration of our commitment to the on-going success of Volvo and our retail partners.

Retailers and Customer

Because the benefits of long term customer loyalty are critical to the success of Volvo and Volvo retailers, Goodwill expenses should not be considered the sole responsibility of Volvo. Retailers and customers should participate whenever it is appropriate.

According to industry studies, the full value of Goodwill can only be realized by involving the customer in the resolution. This should include customer participation whenever it is appropriate.



V. Claim Documentation

Once a goodwill decision has been made, proper documentation and submission of the Goodwill claim is required for payment.

Note: *The repair line on the RO and the customers copy **must** state:*

“Assistance has been provided as a one-time Goodwill gesture by Volvo and (Retailer) in the interest of customer satisfaction and owner loyalty.”

Claims for Goodwill that do not contain the statement above, **signed by the customer**, may not be authorized for payment.

A. Goodwill Prior Approval Log: **Updated**

Level “A” retailers must complete and maintain a Goodwill Prior Approval Log for all self-authorized (DD) Goodwill claims. Each Goodwill log consists of a prior approval number and corresponding log entry.

<https://ardentlearning.box.com/s/0vun6daa2znb3igg717647eyx7mso0jt>

B. Prior Approval Number: **Updated**

Each Goodwill claim must have a prior approval number to be paid. Prior approval numbers for self-authorized claims are recorded in the Goodwill Prior Approval Log. Prior approval numbers required from the Aftersales Market Manager are generated and maintained in the Goodwill/Warranty Authorization Application. Each Prior Approval Number utilizes a two letter prefix which identifies who authorized the Goodwill claim:

DD = Level “A” - Self authorized retailer

DP = Aftersales Market Manager

C. Prior Approval Log Entry: **Updated**

When a self-authorized (Level “A” retailers only) prior approval number is used to authorize a Goodwill claim, there must be a complete entry in the log. This provides a permanent record for the retailer, Aftersales Market Manager and VCUSA Retailer Audit (as required). A complete Prior Approval Log must include entries in the following fields:

Prior # – Approval prefix DD followed by the retailers 4 digit dealer code

Dlr. # – Retailer number

R.O. # – Repair order number

R.O. Date – The “open date” of the repair order (date the R.O. was written up)

Date: The date of the Goodwill log entry

VIN – The 17 digit vehicle identification number

Payment – Enter either the dollar amount in the “MAX \$” field **OR** the appropriate percentage in the “%” field:

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MAX \$ – If the maximum dollar field is used, enter the total amount you wish to be paid (rounded up to the next whole dollar). For example: The cost for a repair is \$200, and you wish to be paid \$99.42, enter \$100 in the MAX \$ field.

% (Percentage) – If the percentage is used, enter the percentage (of the total repair) you are to be paid (1% - 100%). For example: The cost for a repair is \$200, and you wish to be paid \$100, enter 50(%) in the percent field.

Parts only, Labor only or Sublet only – If reimbursement is for parts, labor or sublet only, check that field. If reimbursement includes a combination of parts, labor or sublet, do not check a field.

Failure to complete the required entries may affect Goodwill Level “A” status.

NOTE: Do not enter a combination of payment requests. For example: If “MAX\$” is entered, leave the % field blank. If “Parts only” is checked, leave the “Labor” and “Sublet fields blank.

Comments – Document the customer’s name, the initials (or name) of the responsible dealer representative, and a brief explanation of why Goodwill was provided.

Participation – Enter the whole dollar amount of participation in each of the three fields, “Customer”, “Retailer” and “Volvo”. Each field must show a dollar amount even if participation was \$0. For example: A \$300 repair was split 50/50 by Volvo and the retail facility. The customer paid nothing for the repair. The log entry under “Participation” would be:

\$0	\$150	\$150
Customer	Retailer	Volvo

VI. Claim Submission and Payment

Once a Goodwill claim has been properly documented it should be submitted to Volvo for payment.

Claims Requiring Prior Approval

Certain claims must have an Aftersales Market Managers prior approval number (a “DP”) to be paid even when the dealer is Level “A” (self-authorizing):

- Claims with a general operation number that do not have a valid Volvo part number must have a prior authorization. (Labor only claims when using a general operation number.)
- “Out of Guidelines” claims: vehicles older than 96 months (from the original in service date) or with mileage greater than 80,000 miles.
- Goodwill assistance for Any vehicle still within the new car limited warranty.

NOTE: Claims with a “DP” prefix will be paid at any age or mileage.

“Approved” Payment Field Definitions: *Updated*

MAX \$ – Total dollar amount requested for payment. This must match the MAX \$ amount approved.

OR



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% – The percentage of the total repair cost requested for payment. This must match the percentage approved. The system will automatically calculate payment based on the total cost of the parts and operations in the Goodwill claim.

P, L or S – Part(s), labor or sublet only. Use this option if your requested reimbursement is for parts, labor or sublet only. This must match what has been approved.

NOTE: Do not enter a combination of payment requests. For example: If “MAX\$” is entered, leave the % field blank. If “Parts Only” is checked, leave the “Labor” and “Sublet” fields blank.

Claim Submission

Dealers will enter claims on their computer terminal. Claims will be processed and paid electronically.

- Follow regular warranty claim procedures.
- Identify Goodwill repairs as Type 05.
- Complete the Condition/Repair text section of the claim including a brief description of the failure and the reason goodwill is being provided.
- Enter the claim totals (approved for the Goodwill repair).
- Enter the Prior Approval Number in the appropriate field.

VII. Reconciliation and Accountability

High quality interactions with customers will yield the greatest value for the Goodwill investment. However, good decision-making and customer-handling skills take time to develop. The following enhancements are intended to create a sense of shared accountability for the effective use of Goodwill and on-going improvement.

Level “A” Retailer Goodwill Representative: *Updated*

Effective Goodwill delivery and decisions are not made by retailers; they are made by people who work at a retail facility. These individuals are directly involved with the Volvo customer. They are the key to the effectiveness of the goodwill process. The Level “A” representative:

- Is responsible for discussing and resolving customer concerns. This includes contacting the Aftersales Market Manager when Goodwill seems to be appropriate but the vehicle is “Out of Guidelines”
- Is responsible for complete documentation in the Goodwill Prior Approval Log, including the goodwill representative’s initials or name on each claim approved.
- Is responsible for periodic reviews of the Goodwill log, repair orders, Goodwill surveys and all other documentation with the Aftersales Market Manager. This includes identifying areas of strength, areas needing improvement and action plans (including support need, i.e., training classes).
- Must be able to report the amount of Volvo goodwill spent by the retailer.
- Must ensure that Volvo Goodwill is used to improve customer satisfaction and repurchase intent.



LEVEL “A” Retailer Management

Top Retailer Management must be involved and accountable for the Goodwill process to work. In the same way that an effective Goodwill representative is the key to customer satisfaction and retention, retailer management’s support and direction are crucial for Goodwill representative to be effective:

- Level “A” retailer must agree to comply with the policies and procedures as defined by the goodwill program
- Level “A” retailer must maintain a monthly summary of Volvo Goodwill spent by their retail facility’s Goodwill representatives. The Aftersales Market Manager may also require that a signed copy of the reports be sent to the Regional office.
- Level “A” Retailers must have their own Goodwill budget. This means that the retailer set aside funds to take care of Volvo customers. The Aftersales Market Manager can help the retailer set the appropriate amount to be reserved.
- Goodwill adjustments is available on the retailer financial statement for retailer goodwill expenses for Volvo customers.

GOODWILL RENTAL CAR ASSISTANCE PROGRAM & NON-TECHNICAL GOODWILL POLICIES & GUIDELINES

Sections VIII & IX below, apply to The Goodwill Rental Car Assistance Program and Non-Technical Goodwill Claims.

VIII. Goodwill Rental Car Assistance Program

To further enhance the Volvo ownership experience, Volvo Car USA, LLC is offering the Goodwill Rental Car Assistance Program.

A. Guidelines

Volvo will allow a daily rental subsidy up to \$45.00 per day for a maximum of 14 days per occurrence for Reimbursement of Rental costs from national rental agencies. The Customer’s car must be off the road overnight for one of the following reasons:

- Unavailability of parts specifically related to a Volvo Parts backorder situation
- Requires inspection by Volvo Field Technical Personnel

Prior approval from your Aftersales Market Manager is required with the Prefix NP. In those situations where an extended rental is required (beyond 14 days) a separate claim and a new prior approval must be submitted for every 14 days of rental.



B. Claim Submission & Reimbursement Procedures

Only one (1) claim per 14 day period is allowed.

Prior approval from your Aftersales Market Manager is required with the Prefix NP.*

LONG Form Claim

CLAIM TYPE: 05NT*

CAUSE CODE: 98

SYMPTOM CODE: 1C*

Prior Approval Prefix: NP*

Repair order text must include the number of days the rental car was in use and the daily cost.

Only one of the following operations can be used as the Main/sublet operation for the total claim amount.

Parts Availability: 01513

Requires Field Inspection: 01543

Daily Use: 01553

Authorization will be generated via the Electronic Goodwill/Warranty Authorization Application.

*Note: There have been changes made to the required symptom code, prior approval prefix and claim type for Goodwill Rental Car Assistance Program claims.**

IX. Non-Technical Goodwill Claims

A. Guidelines

Reimbursement to Retailers for payments made on a customer's behalf for any of the following that are charge to Goodwill, will be processed through the warranty system.

- The purchase of a VIP Contract (excluding Florida)
- Monthly vehicle lease payment(s) (max 3)
- The purchase of Sirius Radio subscription extension
- The purchase of a PPM Contract
- The purchase of a VOC Contract
- The purchase of a Volvo Accessory
- To cover towing

Check requests are not required.

A non-technical goodwill claim must be submitted for processing through the warranty system and payments will be included in the dealer's weekly service transaction statement (STS) which is posted to the monthly parts account statement.



B. Claim Documentation

Regardless of a retailers Goodwill authorizing level, **ALL Non-Technical Goodwill claims** must be reviewed and authorized by the Aftersales Market Manager.

The prior approval suffix is **NP**.

Authorization will be generated via the Electronic Goodwill/Warranty Authorization Application.

C. Claim Submission

The following information is required when entering a non-technical claim.

LONG Form Claim

CLAIM TYPE: 05NT

CAUSE CODE: 98

SYMPTOM CODE: 1C

Prior Approval Prefix: NP

Sublet Main Operation Number: Choose One from the List Below Only**

- 07004: VIP Contract Purchase
- 07005: Customer Lease Payment (Max 3)
- 07017: Sirius Radio Subscription Extension
- 07018: PPM Contract Purchase
- 07019: VOC Contract Purchase
- 07020: Accessory Purchase
- 01548: Towing less than \$50
- 01549: Towing more than \$50

Sublet Amount: Sublet amount claimed must be equal to the goodwill amount approved by your Aftersales Market Manager.

****Only one of the specific Sublet operations numbers listed above can be submitted.** Claims should not be submitted for any other customer satisfaction programs previously or currently offered outside the parameters of the Non-Technical Goodwill Policy (i.e. Enhanced Customer Experience Goodwill Policy).

D. Condition Repair Text and Supporting Documentation Requirements

The repair text must include the following applicable information and all supporting documentation noted must be attached to the R.O. per audit requirements.

VIP Contracts: include Customer name, address, VIP contract number, contract cost (Retailer net cost) and contract length. A copy of the reimbursement check (when applicable) from the retailer made out to the customer, a copy of the VIP contract and a copy of the prior approval and amount authorized from the *Electronic Goodwill/Warranty Authorization App* must be attached to the R.O.



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Lease Payments: include Customer name, address, financial institution name, account number, monthly payment amount and number of payments made. **There is a 3 payment maximum.** A copy of the reimbursement check from the retailer made out to the customer and a copy of the prior approval and amount authorized from the *Electronic Goodwill/Warranty Authorization App* must be attached to the R.O.

Sirius Radio Subscription Extension: include Customer name, address, Sirius Radio account number, length of contract extension and amount. A copy of the reimbursement check from the retailer made out to the customer, a copy of the Sirius contract and a copy of the prior approval and amount authorized from the *Electronic Goodwill/Warranty Authorization App* must be attached to the R.O.

FSM/PPM Contracts: include Customer name, address, FSM/PPM contract number, contract cost (Dealer net cost) and Plan type. A copy of the reimbursement check (when applicable) from the retailer made out to the customer, a copy of the FSM/PPM contract and a copy of the prior approval and amount authorized from the *Electronic Goodwill/Warranty Authorization App* must be attached to the R.O.

VOC Contracts: include Customer name, address, VOC contract number, contract cost (Dealer net cost) and contract length. A copy of the reimbursement check (when applicable) from the retailer made out to the customer, a copy of the VOC contract and a copy of the prior approval and amount authorized from the *Electronic Goodwill/Warranty Authorization App* must be attached to the R.O.

Volvo Accessory: include Customer name, address, description of the accessory purchased, part cost (dealer net cost) and labor time to install (when applicable). A copy of the reimbursement check (when applicable) from the retailer made out to the customer, a copy of the punch time to install the accessory (when applicable), a copy of the prior approval and amount authorized from the *Electronic Goodwill/Warranty Authorization App* must be attached to the R.O.

Note: *These sublet reimbursements are not entitled to the 10% sublet repair mark up. Claims should be submitted for the reimbursement amount authorized under goodwill only.*

All standard submission requirements apply to claims filed under the program. Claims should be submitted within 7 days of the repair. Claims submitted beyond 60 days of the repair date will not be processed. As with all claims submitted through the processing system, Volvo will assign a claim number for each R.O. entered.

Claims with administrative errors will be returned for correction in the same manner as a warranty claim would be returned to your facility.

All audit requirements must be met.

Should you have any questions concerning **CLAIM PREPARATION & SUBMISSION** of a goodwill claim, you should contact the Warranty Assistance Desk.