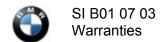
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February 2018 Warranties

BMW ENHANCED DEALER SELF-AUTHORIZED (DSA) GOODWILL PROGRAM

New information provided by this revision is preceded by this symbol UPDATE!



This Service Information bulletin supersedes SI B01 07 03 dated January 2018.

What's New:

• Tier 1 and 2 DSA Graphic updated.

MODEL

ΑII

INFORMATION

The "Enhanced" Dealer Self-Authorized (DSA) Goodwill Program:

Provides the top level (Tier 1) expanded benefits for qualifying centers

And for Tier 1 and Tier 2 centers:

The mileage limit was increased to 110,000 from 96,000

The Dealer Self-Authorized Goodwill Program (DSA) provides your center with a tool to build and maintain customer confidence with the BMW brand during difficult situations. The objective is to exceed your customers' expectations, increase their satisfaction, and maintain product loyalty, leading to repeat sales.

This program does not replace the existing Regional Field Authorization (FAS) Goodwill process. Instead, it offers you an opportunity to make a customer goodwill decision "on-the-spot" without the need to obtain prior approval from BMW NA. This gives your center a greater opportunity to deliver on the program's objective.

DSA Goodwill Considerations

When determining whether to offer goodwill assistance to your customer, the following factors are to be considered:

- · Cost of the repair
- · Condition of the vehicle
- Has the vehicle been properly maintained at a BMW center?
- Does the customer currently own multiple BMW vehicles or has he or she owned a BMW vehicle previously?
- · Would, or did, the customer endure an unusual hardship?
- Would investing in your customer keep him or her in the BMW brand?
- What is the elapsed time and/or mileage since the applicable vehicle coverage expired?

Customer assistance through "DSA Goodwill" is discretionary and not an obligation; the decision to provide assistance requires careful evaluation of the customer's situation and circumstance.

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Eligible Vehicles

US-specification BMW vehicles:

- Distributed in the United States (including Puerto Rico) by BMW of North America, LLC ("BMW NA"), or those
- · Sold through the BMW NA "European Delivery," or "Military Sales" programs, that are now
- Registered and currently being operated in the United States or Puerto Rico

PROCEDURE

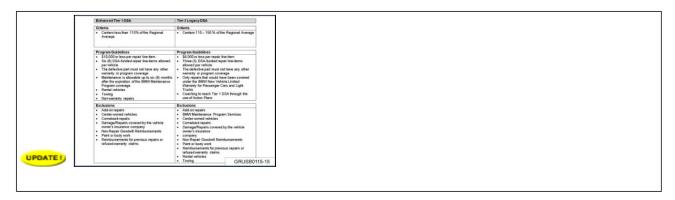
DSA Time and Mileage Limits

As determined by the vehicle's original in-service date:

- Up to 8 years (96 months); and/or
- Up to 110,000 miles, whichever occurs first

Vehicles with a Demo Extension receive no additional coverage beyond Dealer Self-Authorized (DSA) Program time and mileage limits.

"Tier 1 and 2 DSA" Criteria, program Guidelines and Exclusions*



^{*}See the "2018 DSA Tier Evaluation and Assignment by Quarter" Information listed below.

DSA guideline Clarifications

Tier 1 DSA - Repair cost

\$10,000 or less per repair line item is prior to any participation (DSA GW/Center/Customer)

Tier 1 DSA – BMW Maintenance Program

DSA is allowable up to six (6) months after the expiration of the "standard" maintenance program coverage that applies to the vehicle, either the:

- 3 years (36 months)/36,000 miles (Model year 2017 and newer); or
- 4 years (48 months)/50,000 (Up to and including model year 2016)

DSA cannot be used to extend the MPU coverage.

Tier 2 DSA - Repair cost only

\$6,000 or less per repair line item is prior to any participation (DSA GW/Center/Customer).

Other DSA Requirements

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Additionally, the vehicle cannot have any active warranty or other program coverage that applies to the repair or item being claimed, for example:

- · BMW New Vehicle Limited Warranty for Passenger Cars and Light Trucks
- Type 2 and Type 3 Parts Warranty claims
- · Demo Extension Warranty
- · Emission Warranties
- · BMW Certified Pre-Owned Programs
- · Extended Vehicle Protection programs
- · BMW Roadside Assistance Program coverage including towing

2018 DSA Tier Evaluation and Assignment by Quarter

January 15, 2018: First Quarter Tier Evaluation and Assignments

- A. Dealers at or less than 110% of the Regional will be assigned to Tier 1.
- B. Dealers greater than 110% of the Regional Average will be assigned to Tier 2.
- C. Dealers greater than 150% of the Regional Average will be assigned to Tier 3.

Tier 3 Dealers

- · Suspension from the DSA Program
- All goodwill requests are to be "FAS" authorizations
- · Coaching to reach Tier 1 or 2 DSA through the use of Action Plans

Important Note: Dealers percentage is based off Average Goodwill Cost (Combined Cost FAS / DSA per unique VIN) from the November 2017 Goodwill Measurement Tool compared to the Regional Average.

April 16, 2018: Second Quarter Tier Evaluation and Assignments

- A. Dealers at or less than 110% of the Regional Average will be assigned to Tier 1.
- B. Dealers greater than 110% of the Regional Average will be assigned to Tier 2.
- C. Dealers greater than 150% of the Regional Average will be assigned to Tier 3.

Tier 3 Dealers

- Suspension from the DSA Program
- · All goodwill requests are to be "FAS" authorizations
- Coaching to reach Tier 1 or 2 DSA through the use of Action Plans

Important Note: Dealers percentage is based off Average Goodwill Cost (Combined Cost FAS / DSA per unique VIN) from the February 2018 Goodwill Measurement Tool compared to the Regional Average.

July 16, 2018: Third Quarter Tier Evaluation and Assignments

- A. Dealers at or less than 110% of the Regional Average will be assigned to the Tier 1.
- B. Dealers greater than 110% of the Regional Average will be assigned to Tier 2.

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C. Dealers greater than 150% of the Regional Average will be assigned to Tier 3.

Tier 3 Dealers

- Suspension from the DSA Program
- All goodwill requests are to be "FAS" authorizations
- · Coaching to reach Tier 1 or 2 DSA through the use of Action Plans

Important Note: Dealers percentage is based off Average Goodwill Cost (Combined Cost FAS / DSA per unique VIN) from the May 2018 Goodwill Measurement Tool compared to the Regional Average.

October 15, 2018: Fourth Quarter Tier Evaluation and Assignments

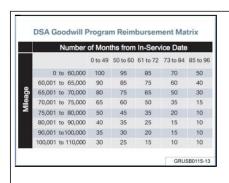
- A. Dealers at or less than 110% of the Regional Average will be assigned to the Tier 1.
- B. Dealers greater than 110% of the Regional Average will be assigned to Tier 2.
- C. Dealers **greater than 150%** of the Regional Average will be assigned to **Tier 3**.

Tier 3 Dealers

- Suspension from the DSA Program
- · All goodwill requests are to be "FAS" authorizations
- Coaching to reach Tier 1 or 2 DSA through the use of Action Plans

Important Note: Dealers percentage is based off Average Goodwill Cost (Combined Cost FAS / DSA per unique VIN) from the August 2018 Goodwill Measurement Tool compared to the Regional Average.

DSA Goodwill Participation Matrix (Vehicle Age and Mileage)



BMW NA's goodwill participation (coverage percentage) is determined by the sliding scale above, by applying the vehicle's current age (months) and mileage (this is also provided as an attachment).



Attention: The vehicle's current age is now calculated and displayed for you in the DCSnet

Warranty Vehicle Inquiry in the "Warranty/Maintenance Programs/Contract Services (Administered by BMW NA)" section under the column heading "Current Age (Mth)."

Goodwill participation can be offered up to and including a vehicle's "covered percentage" for labor, parts, and sublet (together equally or individually varying).

The goodwill participation must be noted on the repair order and the claim comments.

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Repair Order Invoicing

Reimbursement for Dealer Self-Authorized (DSA) Goodwill repairs is at your center's established warranty rates unless otherwise required by state law.

The "entire" repair is to be invoiced at the "applicable rates" when BMW NA is paying for any portion of a repair.

Note: Any remaining "customer portion" of the repair must also be charged at "applicable rates."

Rental Car

If alternate transportation is needed, please provide the customer with a vehicle through one of our preferred third-party rental car providers (Hertz or Enterprise).

Invoice the allowable rental car expenses (Excluding fuel) as a separate line item on the repair order as outlined below.

BMW will reimburse the following for a:

- BMW rental vehicle: Up to \$64.00 a day; plus the
- · Market surcharge (if applicable); plus the
- CDW* (Collision Damage Waiver) protection when the rental vehicle agreement "signee" accepts this "optional" coverage; plus the
- Taxes

Or, for a:

- · Non-BMW rental vehicle: Up to \$44.00 a day; plus the
- Market surcharge (if applicable); plus the
- CDW* (Collision Damage Waiver) protection when the rental vehicle agreement "signee" accepts this "optional" coverage; plus the
- Taxes

Rental Vehicle Invoice - Required Information for Claim Submission

In order to be reimbursed your center for the above, you must itemize the rental car invoice in the claim comments, please ensure that you include the following information:

Rental Vehicle Invoice - Line items	Required Information to provide
Brand of rental vehicle in use	BMW or Non-BMW Vehicle - Model description
Rental period	Total number of days
Market surcharge (If applicable)	Cost per day and the total amount
CDW* (Collision Damage Waiver)	Cost per day and the total amount
Taxes	Total amount



Attention: This means BMW will only reimburse the cost of the applicable Collision Damage

Waiver (CDW)* protection the rental vehicle agreement "signee" accepted.

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*Note: The Collision Damage Waiver (CDW), this may also be referred to as the Loss Damage Waiver (LDW) or the Physical Damage Waiver (PDW).

Other Optional Protection/Insurance Coverage

If your customer wants to obtain other optional protection or insurance coverage, for example:

- SLP/SLI/LIS (Supplemental Liability Protection or Insurance/Liability Insurance Supplement); and/or
- PAI (Personal Accident Insurance); and/or
- PEC (Personal Effects Coverage);

The cost of this "optional coverage" would be at his or her expense.

Sublet Reimbursement Items

Claim the sublet item(s) at "100 percent" and then select and apply the applicable "Matrix Percentage" in DCSnet for claim submission.

Goodwill Usage, Self-Monitoring and Management

It is important that all centers use DSA and FAS Goodwill in a consistent manner, especially relating to frequency.

It is strongly recommended that each center regularly monitor their goodwill usage against their area and region by utilizing the "Goodwill Measurement Tool" report that is located in the DCSnet "WHAT."

CLAIM INFORMATION

The DSA repair line item(s) on the repair order and the customer invoice **must** state **what** type of goodwill was provided to the customer.

It's recommended to also include a detailed explanation and the reason **why** the goodwill was provided to the customer.

Reimbursement for a DSA claim will be via normal claim entry, utilizing the following information:

Select and enter the applicable defect code's first eight numbers. The process is completed by entering "SA" in the 9th and 10th position of the defect code as the vendor code.

Defect Code: MG SG ## ## SA* DSA Self-Authorized Goodwill

After selecting the Self-Authorization button, the page will expand to allow for entry of the Participation Amounts. An Authorization Number will be obtained automatically upon "Save."

These claims do not require the involvement of your Aftersales Area Manager or the use of the Field Authorization System.

*Corresponding Defect Code: Main Group (MG) number, Sub Group (SG) number, SA (Self-Authorization).

Please be sure to clearly state the **what** and the **why** in claim comment section.

Posted: Wednesday, February 14, 2018

ATTACHMENTS

View PDF attachment **B010703 BMW DSA TENT Card**.

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