



# Service Bulletin

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

Date: June, 2020

## WARRANTY ADMINISTRATION

**Subject:** Dealer Empowerment for Goodwill, Customer Enthusiasm and Policy (U.S. Only)

**Models:** 2020 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 2020 Model Year, update the Subject and policies on Goodwill Tool use, to allow a \$500 dealer empowerment to deviate from the Policy Evaluation Tool results, and to eliminate the requirement to attach the approved Pre-Approval Form to the transaction when deviating from the Policy Evaluation Tool results. Changes are effective as of the date of this bulletin. Additionally, the Policy Evaluation Tool has been modified at this time to determine the level of Policy assistance based on the time/ miles beyond component coverage. This is a temporary change while we enhance the functionality of the Tool to more accurately reflect customer loyalty and engagement. Please discard Corporate Bulletin Number 11-00-89-005N.**

As a dealer partner, General Motors empowers you with the ability to utilize policy and goodwill tools as deemed appropriate to satisfy and retain customers that are loyal to their vehicle brand and your dealership. This bulletin provides guidelines to further assist our dealer employees in the utilization of these tools to resolve customer issues while spending GM resources in an effective and responsible 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
<b>Warranty</b>	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. <ul style="list-style-type: none"> <li>• Example: Window Regulator is replaced during the applicable New Vehicle Limited Warranty.</li> </ul>
<b>Customer Enthusiasm</b>	Vehicle repairs within the time and mileage limitations of the applicable warranty coverage that <b>ARE NOT</b> the result of a covered defect in materials or workmanship. <ul style="list-style-type: none"> <li>• <b>Example:</b> Repair of a front air deflector due to customer not realizing how low it is.</li> </ul>
<b>Policy</b>	Vehicle repairs outside of the applicable time and mileage limitations of the applicable warranty coverage. <ul style="list-style-type: none"> <li>• Example: Wiper motor fails at 52,000 miles and GM pays for all or part of the repair cost.</li> </ul>
<b>Goodwill</b>	Assistance expenditures made to satisfy the customer. <ul style="list-style-type: none"> <li>• The term "Goodwill" <b>does not</b> refer to a vehicle repair. Repair outside of Warranty is "Policy."</li> <li>• 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.</li> <li>• 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.</li> </ul>

Resource	Definition
<b>Special Coverage</b>	<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"> <li>• The necessary repair under a Special Coverage will be performed <b>only if</b> the Special Coverage is noted in IVH under the applicable warranty section and the vehicle exhibits the condition specified.</li> <li>• Example: Extended coverage on the transmission shift cable for certain 3–5 wave plate vehicles.</li> </ul>

## Goodwill Guidelines

A variety of Goodwill tools (listed below) are available to dealer management, Aftersales (DMA) representatives, and the Customer Assistance Center (CAC) for resolving customer issues and maintaining customer enthusiasm.

Dealers are NOT to use Goodwill tools for the following:

- To close a sale
- In delayed new vehicle delivery situations
- After 10 days from new vehicle delivery to resolve a sales-related issue
- In any relation to the GM Card
- For fleet/commercial vehicles
- For trade assist, product allegations, BBB, legal, or 3rd party intervention
- For any fuel economy complaints
- For APR/lease dealer cash adjustments
- For modifying vehicle content or adding non-GM approved parts/accessories

## Goodwill Tools Available via the Dealer Aftersales Empowerment Application

**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 upgrades or extension; past subscriber activation.
- *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 (select states only).
- *Sirius XM Subscription* – A 3 or 6 month 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* – A service contract to repair or replace wheels and/or tires that are damaged due to a covered road hazard.
- *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 time and mileage parameters of the plan.

GM may modify available tools at any time. Refer to the Dealer Aftersales Empowerment application in GlobalConnect for current available tools and additional guidelines.

## Goodwill Tools processed via the Global Warranty Management (GWM) System

- *Spontaneous Goodwill Maintenance (Labor Op 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. There is a \$100 maximum for usage of the labor operation. The transaction must be submitted with the exact amount of the complimentary maintenance input into the Net/Miscellaneous field. GM is not to be charged more than what is customary.
- *Incidental Non-Warranty Expense (Labor Op 0600015)* – Dealer agrees to reimburse a customer for reasonable expenses incurred as a result of the service repair. Examples include 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 with the exact amount input into the Net/Customer Reimbursement field.
- *Vehicle Payment Expense (Labor Op 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. When submitting a transaction with this labor operation, the Complaint/Cause/Correction fields must contain a detailed explanation, 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. There is a \$1000 maximum for retail usage and the transaction should be submitted with the exact amount input into the Net/Customer Reimbursement field.

**Note:** This labor operation is not available for vehicles less than 3 months or 3,000 miles without pre-approval through the Dealer Aftersales Empowerment app in GlobalConnect.”

**Important: These labor operations have specific applications and any inappropriate use will result in a credit reversal.**

## Customer Enthusiasm Guidelines

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-Warrantable 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 indicator 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.

The following are NOT considered Customer Enthusiasm and dealers should not check the “Customer Enthusiasm – Non-Warrantable Repair” indicator on these types of transactions:

- When a warranty defect caused the customer’s concern
- Assembly *replacements* instead of repair for customer satisfaction
  - Example: 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.
- Repeat repairs resulting from a warrantable failure
- Divisional maintenance programs
- Reimbursements
- Non-repair issues (Accessories, sales incentives, etc.)

## Policy Guidelines - Incorporating the Policy Evaluation Tool

The Policy Evaluation Tool is to be used once a determination has been made that a policy decision is appropriate for a customer’s out-of-warranty repair, or, whenever the customer has requested policy consideration for an out-of-warranty repair.

### Supporting Factors for Running the Policy Evaluation Tool:

- 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 for Running the Policy Evaluation Tool:

- 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
- 12V batteries or tires (ineligible for Policy)

**Important:** Dealers must not restrict Policy use solely because the customer did not purchase or service their vehicle at your store.

### Policy Evaluation Tool - Requirements and Process:

- The Policy Evaluation Tool is located in the Dealer Aftersales Empowerment app in GlobalConnect.
- Enter all required information. The Total Repair Cost must be entered at warranty rates on the form.
- The Policy Evaluation Tool will provide a minimum Customer/Dealer participation \$ amount or % of total repair amount (applicable amount is whichever is greater) based on the days and miles the vehicle is beyond warranty for the defective component.
- When seeking assistance for more than one repair on the job card, the Policy Evaluation Tool must be run separately for each line.
- The actual amount of customer/dealer participation must be reflected in the “Customer/Service Agent Participation Amount” field of the transaction. See below for further details.
- The print version of the Tool must be attached to the hard copy of the job card as well as the transaction.

- The service manager must authorize the policy adjustment prior to initial transaction submission. This authorization must be in the form of an explanation, signature/initials, time, and date (reference GM Service Policies & Procedures Manual). The reasons supporting GM assistance should be 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.
- 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.
- If the component's coverage is not listed in the Component Warranty Coverage field dropdown list on the Policy Tool form, select the closest option related to the repair. Enter the time and mileage end dates of the coverage selected to determine the starting level of participation. You will need to use your judgment to determine if this level of participation is appropriate.

### Dealer Empowerment Beyond Evaluation Tool Results for Extenuating Circumstances

Dealers are required to use the Policy Evaluation Tool and are encouraged to follow the recommended amount of assistance. If extenuating circumstances merit less customer participation as suggested by the Policy Evaluation Tool, the dealership is empowered to deviate from the tool result amount **up to \$500**. GM pre-approval is NOT required. A copy of the Policy Evaluation Tool result must still be attached to the transaction. These situations should be rare and supported by a good business case.

Dealers should also consider that use of a Goodwill tool or Owner Loyalty Certificate may be more appropriate, and in cases, even preferred by the customer compared to Policy assistance on a vehicle repair. The dealership should consider all factors such as the cost of the repair, the age of the vehicle, and if partial repair assistance will satisfy and retain a customer. Example: A nine-year-old vehicle requires an engine replacement and assistance is calculated at 50% customer participation. In this case, it may be more appropriate to offer the customer an Owner Loyalty Certificate.

### Pre-Approval Process for Policy Assistance Beyond Dealer's \$500 Empowerment Range

Deviating **more than \$500** from the Policy Evaluation Tool result must be **PRE-APPROVED** by GM through the Dealer Aftersales Empowerment application in GlobalConnect.

- Complete the “Claim Pre-Approval Request” form in the Dealer Aftersales Empowerment application. Select box for “Policy Adjustment – Request to deviate from Policy Evaluation Tool results.”
- A copy of the approved Pre-Approval Form must be attached to the job card and retained in the vehicle history folder. A copy of the approved Pre-Approval Form is no longer required to be attached to the submitted transaction.
- A copy of the Policy Evaluation Tool must still be attached to the transaction.

### Customer/Service Agent Participation Amount Transaction Processing

When the customer or the dealer agree to participate in the cost of the repair, the participation must be reflected in the Customer/Service Agent Participation Amount field of the transaction. Failure to document the participation amount in the Customer/Service Agent Participation Amount field may result in a charge back for the applicable amount.

When submitting the transaction, enter the labor, parts, net item as if GM was going to cover the repair under warranty. When a customer/dealer participation amount is involved, the entire repair must be calculated at warranty rates. Enter the Customer and/or Service Agent participation amount in the “Customer/Service Agent Participation Amount” field as a positive number. 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.

## 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.

