



CLAIMS AND INSPECTION MANUAL

Revised: March 4, 2010

Introduction

The Claims and Inspection Manual has been prepared to assist all Carriers in the handling of claims resolution with ShipCarsNow, Inc. (SCN) All Carriers must adhere to these requirements and become familiar with the processes documented in this manual prior to any vehicle handling on behalf of SCN.

This document is subject to change at any time and all updates to the processes in this document will be communicated to all Carriers and posted on the SCN website, www.ShipCarsNow.com.

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Transportation Claims Process

It is the responsibility of the carrier doing business with SCN to adhere to the following requirements.

1. Consignee notes transportation damage on the delivery receipt and signs or notifies carrier in the case of subject to inspection (STI) delivery.
2. Transportation claim is filed with carrier at interchange or where damage is first noted.

STI DELIVERY & HIDDEN DAMAGE:

STI Delivery: (Subject to Inspection) Unit was a night delivery or not delivered during business hours.

Hidden Damage: Any undercarriage damage or damage under undisturbed plastic covering.

- The delivering carrier will only be notified, **within 24 hours**, of any exceptions that are severity 3 or greater for the purpose of verification. * **Severity 3 and greater exceptions will be noted on hard copy by the inspection agent at the ramp who will also be responsible for carrier notification, noting time, date and person notified on the hard copy inspection.** (See page 11 for detail on damage severity codes.)
 - If **after a 24-hour period from notification** the delivering carrier does not verify the noted exception the vehicle will be shipped on or repaired and liability for the claim will rest with the delivering carrier.
 - SCN will not secure any damaged parts that have been replaced by dealer. Carrier must make arrangement with dealer at the time unit is dropped off. Carrier CANNOT decline claim for this reason.
 - Severity 1 & 2 will remain the responsibility of the delivering carrier if not noted at the end of the line or plant inspection.
 - IF vehicle is a STI delivery or signed for clean, the dealer has 48 hours to notify carrier. If the night drop was on a Friday, dealer has until Tuesday to notify carrier of damages. This also applies to **hidden damage**. Drivers CANNOT note any damage if unit is a STI delivery.
 - IF vehicle is a STI delivery or signed for clean, **with untimely notification** carrier must decline with proof of late notification.
3. The carrier has up to 60 days from date the claim was filed to decline with supporting documents, or pays in full the amount filed. **Failure to resolve a freight damage claim within 60 days of notification, SCN may, at its sole discretion elect to withhold the disputed amount plus a 15% surcharge from any payment owed to Carrier for any shipment. No settlements are to be made by the carrier with SCN's customer, without written consent of SCN. Payment will be expected prior to issuance of any new business.**
 - If a claim is transferred to another carriers' account, the new carrier will be given 60 days to work claim.

4. It is the carriers' responsibility to manage all open claims on their account. All claim declinations and payments must be sent timely with proper documentation for closing of a claim.

Inspection Process

A mandatory interchange inspection must take place any time there is a vehicle hand off between two carriers. ALL sign-offs MUST INCLUDE signature, date and time.

At Facility

- Drivers are required to inspect vehicles prior to loading and departing facility.
- If exceptions are noted, they MUST be verified **BEFORE THE VEHICLE IS MOVED**.

Direct Truck

- Once unit arrives at final destination, there is an inspection between driver and ship to party.

Origin Rail

- Rail Origin must notify haulaway carrier of any damages before shipping vehicle.

Destination Rail

- Once unit is off-loaded there is another inspection between rail and driver prior to delivery to dealer.

Inspection Codes

Code defining the location where a type of inspection is performed. These codes are also used on inspection reports.

<u>Code</u>	<u>Definition</u>
1	Origin Rail
2	Inbound Interchange
3	Railroad Interchange
4	Destination Ramp
5	Dealer
6	Factory/Port Processor Gate
7	Origin Cursory – Rail
8	Destination Cursory – Rail
9	Outbound Compound
90	Delivery with Notification
96	Intermediate Delivery
97	Outbound Intermediate Location
98	Delivery Receipts
99	Delivery Letter of Notification

- Carriers/Inspection Agencies may send any of the above codes in Primary and Supplemental Inspection.

ShipCarsNow reserves the right to request Carrier to report electronically to SCN designated area or Freight Claims Agent.

Types of Inspections:

- Only one mandatory inspection at a carrier interchange shall be transmitted and accepted into ShipCarsNow.
- Carriers shall make prior arrangements on how the inspections are to be carried out and which carrier (or third party inspection company) will be responsible for transmitting inspection data into ShipCarsNow.
- **Mandatory inspections** (ANY vehicle with exceptions), must be transmitted into ShipCarsNow within (5) calendar days of the inspection.
- **Supplemental inspections** (additional exceptions), must be transmitted within 24 hours after the mandatory inspection.
- **Transmission Error Corrections** must be transmitted into ShipCarsNow within (14) calendar days of the inspection.

ShipCarsNow will NOT arbitrate nor make claim assignments due to tardy inspection data nor will ShipCarsNow tolerate late payment of claims due to such disputes and issues.

Major Damage Process

Major damage occurs to unit in-transit or found at delivery destination.

1. Terminal, Rail Ramp or Ship To party reports unit to SCN Major Damage at (866) 207-3360.
2. Carrier at Terminal or Rail Ramp must transmit hold code (TA) to ShipCarsNow.
3. SCN or a third party inspection agent will be called on to inspect all Major Damage vehicles.
4. Any transportation cost incurred due to major damage will be filed with Carrier (i.e. inspection fee, towing, etc.).

Lost & Stolen Process

Vehicle is identified as missing.

1. Carrier MUST notify ShipCarsNow immediately via email or phone call to (866) 207-3360.
2. Carrier transmits hold code (AF) to ShipCarsNow.
3. If vehicle is not found after 48 hours, vehicle is categorized as LOST.

4. Carrier continues to search for vehicle, if not found after 72 hours notify SCN as STOLEN.
5. Carrier reports to Police and faxes a copy of the Police Report to SCN at (402) 501-3495.
6. If vehicle is NOT RECOVERED after 30 days from time Police Report was created, SCN files claim with Carrier.
7. If vehicle is RECOVERED, Carrier notifies SCN immediately.
8. ShipCarsNow or third party inspection agent inspects vehicle and classify for filing of claims.

Claims Payment

The following information must be included in the check detail when making a claims payment:

1. claim number
2. dollar amount of claim
3. full 17-digit VIN

Any incorrect or missing information will delay the process of posting payment.

Types of Payment:

- A. **Full Payment** – In those cases where the carrier DOES NOT dispute any line item of a claim, the total amount paid must equal the total amount filed with that claim.
- B. **Negotiated Settlement** – There are times, particularly with concealed damage claims, when neither the claimant nor the carrier can substantially prove its position. The carrier may offer to settle the claim for an amount less than that claimed. Offers of settlement must be viewed in light of the evidence (the facts of the case) and the cost of pursuing the claim through litigation. If a negotiation is agreed to, the carrier must submit a check for the agreed dollar amount. Claims representative will manually adjust the claim.
- C. **Paid-in-Error** – In those cases where a carrier has paid for a claim that is the liability of another carrier, they are to collect from that carrier. **Refund checks will only be issued for over-payment on payment for damage claims.**
- D. **Partial Payment** – Under no circumstances is it permissible for the claimed amount for any line item to be adjusted by the carrier. Any dispute with the claim dollar amount must be communicated in the process of declining claim.

Failure to resolve a freight damage claim within 60 days of notification, ShipCarsNow may, at its sole discretion elect to withhold the disputed amount plus a 15% surcharge from any payment owed to Carrier for any shipment. No settlements are to be made by the carrier with SCN's customer, without written consent of SCN.

All claim payments must be made payable to and sent to:

ShipCarsNow

14163 Collections Center Drive
Chicago, IL 60693

Declining a Claim

Required Documents

It is the responsibility of the carrier declining a claim to secure and provide all the necessary documents in order to resolve outstanding claims. Failure to provide documentation as proof will result in a collection for payment. **All claims decline must include a declination letter on company letterhead, dated along with claim number, claim dollar amount, and declination reason.**

Types of Documents:

- A. **Preload** – Any prior damage must be noted on the preload, a sign-off must be secured for severity 3 or greater.
- B. **Delivery Receipt** – All haulaway carriers are responsible for supplying to the dealer a delivery receipt where dealers can note damages upon arrival.
 - Driver must verify that damage is written up for the correct vehicle.
 - Driver must make sure that the number of vehicles listed is the number of vehicles dropped off delivery location.
 - Any vehicle that was NOT loaded on truck due to damages or for any other reason must be crossed off delivery sheet – DRIVER MUST REPORT TO SCN via email or phone call to (866) 207-3360.
 - Driver MUST review the damages noted before signing delivery receipt. **ALL Sign-offs MUST include signature, date and time.**
- C. **Major Damage Report** – If a unit is classified as a major damage, carriers must secure and provide the rail “21” report. The rail “21” report identifies and defines in-transit transportation damages. This document is held at rail ramps and is generally signed by third party inspectors. Inspection agencies may also have copies of major damage reports.
 - **Inspection Agencies** are third party inspectors hired by the carrier to inspect vehicles for damages. Inspection agencies note damages, signs off on damages, and are capable of transmitting exceptions.

Damage Codes

DAMAGE AREA CODES 1st AND 2nd DIGITS	
01 ANTENNA	52 DECK LID/TAILGATE/HATCHBACK
02 BATTERY	53 SUN ROOF/T-TOP
03 BUMPER/COVER/EXT.FRONT	54 UNDERCARRIAGE/OTHER
04 BUMPER /COVER/EXT, REAR	55 CARGO AREA, OTHER
05 BUMPER GUARD/STRIP FRONT	56 VINYL/CONVERTIBLE TOP/ TONNEAU COVER
06 BUMPER GUARD/STRIP, REAR	57 WHEEL COVERS/CAP/RINGS
07 DOOR, BACK CARGO, RIGHT (T)	58 RADIO SPEAKERS
08 DOOR, BACK CARGO, LEFT (T)	59 WIPERS, ALL
09 DOOR, RIGHT CARGO	60 SPECIAL USE
10 DOOR, LEFT FRONT	61 BOX INTERIOR, PU (T)
11 DOOR, LEFT REAR	63 RAILS, TRUCKBED/LIGHT BAR
12 DOOR, RIGHT FRONT	64 DEFLECTOR/SPOILER, REAR
13 DOOR, RIGHT REAR	65 LUGGAGE RACK (STRIPS)
14 FENDER, LEFT FRONT	66 DASH/INSTRUMENT PANEL
15 QTR PANEL OR PU BOX LEFT	67 CIGARETTE LIGHTER/ASHTRAY
16 FENDER, RIGHT FRONT	68 CARPET, FRONT
17 QTR. PANEL OR PU BOX RIGHT	69 CENTER POST, RIGHT
18 FRONT FLOOR MATS	70 CENTER POST, LEFT
19 REAR FLOOR MATS	71 CORNER POST, RIGHT FRONT
20 GLASS WINDSHIELD	72 CORNER POST, LEFT FRT
21 GLASS REAR	73 CORNER POST, RIGHT REAR
22 GRILLE	74 CORNER POST LEFT REAR
24 HEADLIGHT/COVER/TURN SIGNAL	75 CAB PANEL, LEFT SIDE (T)
25 LAMPS. FOG/DRIVING/SPOT LT	76 CAB PANEL, RIGHT SIDE (T)
26 HEADLINER	77 CAB PANEL REAR (T)
27 HOOD	80 COWL
28 KEYS	81 GAS/CAP COVER
29 KEYLESS REMOTE	82 FENDER, LEFT REAR (T)
30 MIRROR, OUTSIDE LEFT	83 FENDER, RIGHT REAR (T)
31 MIRROR, OUTSIDE RIGHT	84 TOOLS/JACKS/SPARE-TIRE MOUNT + LOCK
33 AUDIO /VIDEO PLAYER	85 COMMUNICATION/GPS UNIT
34 TV/DVD SCREEN	86 PARKING SONAR SYSTEM
35 ROCKER PANEL, LEFT SIDE	89 TRAILER HITCH, WIRING HARNESS TOW HOOKS
36 ROCKER PANEL, RIGHT SIDE	90 FRAME
37 ROOF	91 EXHAUST SYSTEM
38 RUNNING BD/STEP LEFT (T)	92 LICENSE BRACKET
39 RUNNING BD/STEP RIGHT (T)	93 STEERING WHEEL
40 SPARE TIRE/WHEEL	94 SEAT, LEFT FRONT
42 SPLASH PANEL, FRONT	95 SEAT, RIGHT FRONT
44 GAS TANK	96 SEAT, REAR
45 TAIL LIGHT/RIM	97 CARPET, REAR
46 WHEEL/RIM	98 INTERIOR
47 TIRES OTHER THAN SPARE	99 ENGINE COMPARTMENT, OTHER
48 TRIM PANEL, LEFT FRONT	
49 CD PLAYER SEPARATE UNIT	
50 TRIM PANEL, RIGHT FRONT	

DAMAGE TYPE CODES (THIRD AND FOURTH DIGITS)	
<ul style="list-style-type: none"> 01 BENT 02 BROKEN 03 CUT 04 DENTED 05 CHIPPED 06 CRACKED 07 GOUGED 08 MISSING 09 SCUFFED 10 STAINED OR SOILED 11 PUNCTURED 12 SCRATCHED 13 TORN 14 DENTED PAINT NOT DAMAGED 18 MOULDING/EMBLEM/WEATHERSTRIP DAMAGED 19 MOULDING/EMBLEM/WEATHERSTRIP LOOSE 20 GLASS CRACKED 21 GLASS BROKEN 22 GLASS CHIPPED 23 GLASS SCRATCHED 24 MARKER LIGHT DAMAGED 25 DECAL/PAINT STRIPE DAMAGEED 29 CONTAMINATION, EXTERIOR 30 FLUID SPILLAGE, EXTERIOR 34 CHIPPED PANEL EDGE 36 INCORRECT PART OR OPTION NOT AS INVOICED 37 HARDWARE - DAMAGED 38 HARDWARE - LOOSE, MISSING 	
DAMAGE SEVERITY CODE (FIFTH DIGIT)	
<ul style="list-style-type: none"> 1 Damage up to and including 1" in length/diameter - less than 3 cm 2 Damage over 1" up to and including 3" in length/diameter 3cm up to 8cm 3 Damage over 3" up to and including 6" in length/diameter over 8cm to 15cm 4 Damage over 6" up to and including 12" in length/diameter over 15cm to 30cm 5 Damage over 12" length/diameter - over 30cm 6 Replacement - Severe damage/missing. 	