

# Operating Letter

Operating Letter #705

January 1, 2014

## WARRANTY AND TECHNICAL SERVICE

### Warranty Claims Overview North America

#### PURPOSE

To explain how to successfully file warranty claims with ICP.

#### PRODUCT

All ICP Products Covered by Warranty

#### PROCEDURE

In order to receive credit for a warranty part or labor, distributors must file a warranty claim with ICP. A warranty claim contains a variety of important information necessary to understand who is filing the claim, the dealer and homeowner involved, the type of claim being filed, what unit and parts failed, when and why they failed, whether the failed unit was eligible for parts and/or labor coverages, what parts were used as replacements in the repair, and what credit amount is due the distributor. Claims must be completed properly for eligible units, and submitted within specified timeframes.

This document will explain the warranty claims process, policies, and procedures necessary to successfully file warranty claims with ICP. Some topics are discussed only briefly and refer the distributor to a specific Operating Letter for details. Topics discussed are as follows:

- Who to Contact for Warranty Issues
- Steps and Timing in the Claims Process
- Key Dates and Timeframes
- Online Warranty Tools
- Submitting Warranty Claims and Corrections
- Determining Warranty Coverage
- No Hassle Replacement™ Limited Warranty
- Extended Warranty

#### Who to Contact for Warranty Issues

For day-to-day warranty claim issues, distributors should contact the ICP Warranty Department at 800-319-6514 or send an email to the warranty mailbox at [wcissues@icpusa.com](mailto:wcissues@icpusa.com).

Technical warranty questions and/or requests for exceptions to normal warranty policies due to unusual circumstances should usually be directed to the distributor's assigned Technical Service Manager (TSM). Such issues are usually product failure, repair, substitution, or labor related questions. A TSM territory assignment map is also located on Navigator in the same location as the Warranty Analyst map. The link is "Technical Service Manager Area Map."

#### Submitting the claim

The warranty claims process begins with the distributor submitting a warranty claim to ICP via a paper "751 Form", or electronically by entering the information into the online claim entry screen in Service Bench or by uploading a file through the BMS tool. Paper claims are slower to process due to mail delivery time and time to key the claim data at ICP.

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## Claims Validation

Once a claim is received electronically or entered manually, ICP's warranty system evaluates the claim. Serial, model, and part numbers are validated, various dates are checked for obvious errors or inconsistencies, timeframes and warranty periods are calculated and assessed for eligibility purposes, etc. After all the validations are completed, if no errors were encountered, the claim is accepted. A credit memo is generated the next business day and mailed to the distributor. Accepted claims that were submitted electronically are usually processed within 2-3 days, while paper claims generally take 3-5 days from date of receipt.

## Claims that Encounter Problems

Claims that encounter problems in the system evaluation step are placed on manufacturers review and are looked at daily by the ICP Warranty Analyst. The analyst determines whether the claim is correctable internally by ICP, externally by the customer, or is not correctable at all.

- Service Bench provides, at claim entry, error codes. Please be aware of the codes at time of Save and fix or address the issue so that the claim can be submitted for payment. If a claim is validated but goes on Manufacturers Review then it is in the queue at ICP to be reviewed and paid or rejected by an ICP warranty analyst.
- Claims that are submitted can be reviewed by the distributor daily in the Claims Review Queue or the Hot List screen. Distributors may also run various reports in Service Bench that can provide any necessary information regarding claims and their status in the system.
- Claims that cannot be corrected are rejected. A rejection code is assigned, describing the reason for denial. If the rejected claim was submitted in a batch of claims containing at least one accepted claim, then the rejected line will be listed among the accepted claims with zero dollars listed and a rejection reason code.

## Key Dates and Timeframes

Many different dates are used and referenced in warranty processing, and some key timeframes must be observed in order to be eligible for warranty credits. This section defines all of the relevant dates and timeframes that the distributor should be familiar with. Exhibit 2 graphically displays many of the key dates and timeframes discussed below.

### Date Definitions

- |                                |                                                                        |
|--------------------------------|------------------------------------------------------------------------|
| • <u>Manufacture Date:</u>     | Date built per the serial number.                                      |
| • <u>Ship Date:</u>            | Date shipped from ICP to the distributor.                              |
| • <u>Install / Start Date:</u> | Date installed by dealer or when usage starts. Begins warranty period. |
| • <u>Fail / Repair Date</u>    | Date unit fails / is repaired.                                         |
| • <u>End Date</u>              | Date warranty coverage ends.                                           |
| • <u>Claim Date</u>            | Date ICP receives the claim.                                           |
| • <u>Post Date</u>             | Date ICP pays or rejects the claim.                                    |
| • <u>Correction Date</u>       | Date correction information is received by ICP.                        |

### Key Timeframes

- |                                   |                                                                        |
|-----------------------------------|------------------------------------------------------------------------|
| • <u>Warranty Period</u>          | Time from Install/Start Date to End Date.                              |
| • <u>90-Day Claim Period</u>      | Fail/Repair Date to Claim Date. Claims are rejected after this period. |
| • <u>90-Day Correction Period</u> | Claim date to Correction Date. Claims are rejected after this period.  |

### More About Dates

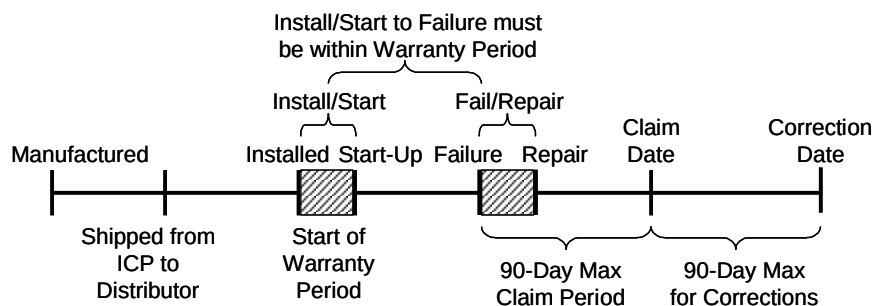
- Manufacture Dates are estimated from the serial number. The 2<sup>nd</sup> through 5<sup>th</sup> digits of the serial number indicate the year and week of manufacture. More specifically, digits 2 and 3 indicate the year, while digits 4 and 5 indicate the week number. Serial E070512345, for example, was built in 2007 during Week 5, which was during the last week of January. [Operating Letter 724](#) explains ICP serial numbers in greater detail.
- Install Dates and Start Dates are considered synonymous for warranty purposes, and mark the start of warranty coverage. Different forms and online screens may use either of these terms interchangeably.

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Technically, the date a unit is physically installed is the true “install date,” and is usually the appropriate date to use for warranty purposes. In some circumstances, a unit may be installed well before usage is effectively started, such as a new construction home that is completed but sold months later. In such cases, the home’s closing date would be the appropriate “start date.” Some additional items worthy of note related to install dates are as follows.

- When the first claim is received for a given serial number, the install date is permanently established at ICP based upon the install date provided on the claim. Thus, it is important that accurate install dates are provided so that future claims do not experience install date problems.
  - Permanently established install dates may be adjusted if adequate documentation is provided.
  - Once the install date has been permanently established, we generally use that date for claims processing purposes, regardless of the install date provided by the distributor. If these dates are greater than five years apart, however, we will bring the issue to the distributor’s attention.
  - If the distributor cannot obtain a unit’s true install date, the unit’s ship date plus 30 days is an acceptable estimate.
  - When a unit is claimed for the first time, if the install date provided on the claim is two years or more after the unit’s ship date, then proof of install documentation will be requested.
  - In early 2008 ICP will begin capturing product registration data from homeowners and/or dealers, and install dates from these registrations will establish permanent install dates.
- Fail Dates and Repair Dates are also treated as the same date in ICP’s warranty system, and generally these dates are within days of each other. The 751 Form used for paper claims asks for the “Date Failed”, while the online claim entry screen asks for the “Fail/Repair Date.” In most circumstances, the date provided on the claim should be the actual date that the unit failed, not when it was repaired. A unit’s eligibility for warranty coverage is based on this true date of failure. However, the Fail/Repair Date is also used as the starting point of the 90-Day Claim Period. Thus, the greater the time between failure and repair, the shorter the period available to the distributor to submit the claim. The lengthy 90-day period allowed for claim submissions was established with such issues in mind, as most distributors will still have plenty of time from the Repair date to file their claim. In rare circumstances, such as product availability issues caused by ICP that lead to significant delays between failure and actual repair dates, distributors could find they have very little or even no time to file the claim within the 90-day period that started at the Fail Date. If claims are placed on hold or rejected for such an issue, the distributor should contact their Warranty Analyst and explain the circumstances. Documentation with the repair dates may be requested, and, where possible, the Analyst may use the true Repair Date instead of the actual Fail Date. Such date substitutions require careful consideration to ensure that claims are not then rejected for falling outside of their warranty coverage period.

**Exhibit 2: Warranty Claim Key Dates and Timeframes**



## Online Warranty Tools

ICP offers distributors a number of online tools that are extremely helpful in managing warranty claims. These tools are within ICP’s Service Bench website located at [www.servicebench.com](http://www.servicebench.com). To use the site, distributor must contact the Warranty Security Associate at his distributorship and be given a username and password

## Claim Entry

The Claim Entry screen allows distributors to create a claim by entering claim data into an online form. The details of how to complete these forms are explained in [Operating Letter 705B](#). All ICP Distributors are encouraged to enter all of their claims via the Entitlement button to view the important information on the unit prior

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to starting a new claim. (By clicking the new claim button on the bottom of the entitlement screen)

## Claim Review

The Claim Review screen allows distributors to inquire upon the status of a claim and see all the details that were submitted. Users may search for claims by the customer claim number, reference number, and serial number.

### Entitlement of a Unit (Serial Number Inquiry)

The entitlement button in Service Bench is to be used for serial number inquiry. This screen can provide important data associated with a particular serial number. This data includes ship and install dates, prior claim history, and warranty coverage information, among other things. This tool is explained in greater detail in [Operating Letter 704](#). All ICP Distributors are encouraged to enter all of their claims via the Entitlement button to view the information on the unit and then click on the New Claim Button.

## BMS File Upload

The File Upload tool is used by distributors who upload a specially formatted warranty claims file. This avoids data keying by the distributor and by ICP. Details related to the specific file format and requirements to upload warranty claim files are explained in [Operating Letter 705B](#).

## Submitting Warranty Claims and Corrections

Warranty 751 claim forms may be by hand and mailed to ICP, where the data is then keyed into ICP's claim system generally within three days. Detailed instruction on how to complete a 751 Form are explained in [Operating Letter 705A](#).

Electronic Claims are the most common filing method. These may be submitted via our online claim entry screens, or by uploading a claim file via BMS in Service Bench, but this process requires front-end IT work to ensure that claim files are created in the proper format. [Operating Letter 705B](#) explains how to file claims.

Claim corrections were discussed briefly in the warranty claims process review (#2) above, under “Claims that Encounter Problems.” Recall that claims with incomplete or inaccurate data, or that require additional documentation or approvals, will not be submitted to ICP until all error codes are resolved on the entry side of the system. Understanding how to file a claim is important. Being able to understand the errors is key for easy processing and quick payments to your corporation. Note that a significant percentage of claims filed experience some type of problem. The better the distributor understands how to properly file a warranty claim, the fewer corrections will be required. [Operating Letter 705C](#) explains in detail how to file claim corrections, and the tools available to understand correction codes and the claims currently withheld.

## Determining Warranty Coverage

**Operating Letter 704** explains the four primary means of determining a unit's warranty coverage. Briefly, these are referencing the warranty certificates, querying a serial number in Service Bench Entitlement and referring to an available spreadsheet for older models, or asking a Warranty Analyst or Associate in ICP's Warranty Department. The operating letter provides the online locations of warranty certificates for current and older products, which are located in different places. In addition, screenshots and explanations of the various fields in the Serial Number Inquiry screen are provided.

## No Hassle Replacement™ Limited Warranty

- ICP's No Hassle Replacement limited warranty program is a strong selling point for many homeowners, who, research shows, value strong warranties over brand names. To properly use "No Hassle" as a selling feature and receive warranty credits for units replaced, however, distributors must thoroughly understand the mechanics of the program. [Operating Letter 730](#) explains the program and includes evaluation forms that must be properly completed and submitted to ICP's warranty department along

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with a claim. Distributor Technical Service Advisors (TSA's) and any personnel involved in filing warranty claims or selling the feature to dealers should read Operating Letter 730, and then read it again.

At a high level, the program is as follows:

- One-time unit replacement for qualifying mainline products
  - Does not affect standard warranty coverage
- Covers qualifying failures on key components
  - Compressors
  - Coils
  - Heat Exchangers
- Appropriate Evaluation form must be completed and signed by authorized TSA or TSM
  - TSA Levels 3 or 4 are authorized
  - TSA Levels 1 and 2 require TSM approval
- Appropriate "like for like" units should be used as replacement
- Complete evaluation form and warranty claims must be submitted to Warranty Department

