



Transportation Claims Policies & Procedures Manual

*(This manual contains references to some documents and images that are currently unavailable.
These documents and images will be added as they become available.)*

**Toyota Logistics Services
6565 Headquarters Drive
Plano, TX 75024
Revised April 2024**

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Table of Contents

SECTION 1: INTRODUCTION	4
Policy #1.0: General Information	4
Policy #1.1: Mailing Address	5
Mailing Address	5
Email	5
Policy #1.2: Dealer “800” Assistance Line	6
Policy #1.3: Vehicle Transportation Claims Process Flow Chart	8
SECTION 2: NEW VEHICLE DELIVERY PREPARATION	9
Policy #2.0: General Information	9
Delivery Preparation	9
SECTION 3: NEW VEHICLE ACCEPTANCE	10
Policy #3.0: General Information	10
Policy	10
SECTION 4: NEW VEHICLE INSPECTION	11
Policy #4.0: General Information	11
Policy #4.1: Damage Identification, Damage Area and Damage Type	12
Damage Identification	12
Damage Area	12
Damage Type	12
Example Photos of Transportation Damages	13
Example Photos of Warranty Defects	24
Example Photos of Other Damage	29
Policy #4.2: Damage Documentation	31
Carrier Delivery Document	32
Five Digit Damage Codes	33
Handwritten Damage Notations	33

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Table of Contents

Policy #4.3: Standard Vehicle Inspection	34
Policy	34, 37
Normal Business Hours	34
On Board	34
On Ground	35
Rapguard Protective Masking	36
Policy #4.4: Non-Standard Vehicle Inspection	38
Concealed Damage	38
On Hoist/Pit	38
Road Test	38
Concealed Damage Letter	39
Policy	39
Delayed Inspection	40
Delayed Inspection Letter (a.k.a. Letter of Notification or LON)	43
Exhibit 4A: Delivery Document Procedures	44
Exhibit 4B: Sample Delivery Document	45
Exhibit 4C: Listing of Damage Codes	46
Exhibit 4D: Sample Delayed Inspection/Concealed Damage Letter	48
 SECTION 5: SPECIAL DAMAGE	 49
Policy #5.0: General Information	49
Critical Damage	49
Policy	49, 50
Fallout Damage	50
Hidden Damage Beneath Rapguard	50
Fluid Damage	51
Acts of God (damage by natural causes)	52
SECTION 6: TRANSPORTATION CLAIMS ADMINISTRATION	53
Policy #6.0: Filing Claims	53
Policy	53

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Table of Contents

Policy #6.1: Warranty versus Transportation Claims	54
Warranty	54
Transportation	55
Policy #6.2: Repair Charges	56
General	56
Repair Order	56
Sublet Work	56
Repair Charges	57
Paint Labor	57
Metal Labor	57
Materials	57
Parts	58
Non-Payable Repairs (Commercially Acceptable)	58
Policy	58
Dead Batteries	58
Policy #6.3: Supporting Documentation	59
Policy	59
Policy #6.4: DSPM Authorization	61
Policy	61
Policy #6.5: Claim Appeals	62
SECTION 7: REPAIR DISCLOSURE	63
Policy #7.0: Notification of Repair	63
Notice at Delivery	63
Policy #7.1: Repair Threshold	64
Policy	64
Exhibit 7A: Sample Memorandum Invoice	65

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 1

Section:	Introduction
Policy:	GENERAL INFORMATION
Policy #:	1.0

The Transportation Claims Policies and Procedures Manual has been developed to assist dealer personnel by establishing general principles and, wherever applicable, specific guidelines for the transportation, delivery, receipt, and repair disclosure requirements of new vehicles.

It is the policy of Toyota Motor Sales, U.S.A., Inc. (TMS) to assist its dealers in obtaining prompt and satisfactory settlement of loss or damage claims. The procedures for processing and settling transportation claims have been established by government agencies, legislative statute and judicial interpretation, individual carriers through tariff regulations, and by TMS. Adherence to the procedures in this manual will help ensure that transportation claims are handled with expediency and fairness.

It is also the policy of TMS to assist dealers in meeting their state repair disclosure requirements. All personnel involved in the repair and sale of Toyota and Lexus vehicles should familiarize themselves with the contents of this manual so that all reporting obligations are met.

Transportation bulletins will be periodically published as procedural and policy changes are added or amended.

Transportation Damage claims processing is outsourced to Tokio Marine Claims Service (TMCS). Claims submittal is done through the Claims Processing System (CPS) in the Warranty section that resides on Dealer Daily where Warranty claims are submitted.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES
Section 1

Section:	Introduction
Policy:	MAILING ADDRESS
Policy #:	1.1

MAILING ADDRESS

Toyota Logistics Services, Inc.
Attention: TLS Claims Administration Department
Mail Drop W1-1B
6565 Headquarters Drive
Plano, TX 75024

EMAIL tls_claims_administration@toyota.com

The address and email address given above is for inquiry purposes only.

To report transportation damage on vehicles that are night dropped, Subject to Inspection (S.T.I.), or concealed damage (undercarriage of vehicle) *contact the carrier within 2 business days (48hours) of delivery* by email, fax, or certified mail noting all damage.

On live deliveries all damages must be noted on the driver’s signed delivery receipt or EPOD (Bill of Lading).

Please see Section 4 in this Policy & Procedures guide for complete details and exceptions on reporting transportation damages.

Also, after submitting a claim via CPS, the dealer must send a Supporting Documentation email to toyotadocuments@tmclaimsservice.com
*Include the VIN in subject line in this format or email won’t deliver to TMCS:
Subject: VIN#3TMCZ5AN0LM323041 (no spaces) Sample email in Section 6.3.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 1

Section:	Introduction
Policy:	DEALER 800 ASSISTANCE LINE
Policy #:	1.2

A toll-free assistance line is in operation to provide immediate response to dealer transportation and warranty claims questions. The assistance line operates Monday through Friday.

Note: 800 Line operation hours are subject to change and are updated via weekly editions of Warranty Weekly News Update. The phone numbers for dealers are:

Toyota - (800) 421-3407 (option #2 – Press 2)

Lexus - (800) 553-9055 (option #2 – Press 2)

Before calling, the dealer should carefully examine the problem and explore possible solutions. If assistance is required, all substantiating documentation, which may be required to resolve the problem, should be accessible. The transportation claims assistance line should be used for:

- Clarification of claim returns or denials.
- Assistance in making claim corrections.
- Clarification of transportation claim policy and procedures.
- Guidelines on where to find specific transportation claim information and submittal procedures.

The dealer transportation claim hot line should **NOT** be used for:

- Approval items requiring **DSPM Authorization**.
- Questions other than those related to transportation claim policies and procedures (e.g., parts returns, warranty claims). Dealers should contact the appropriate department or individual.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 1

Policy #1.2

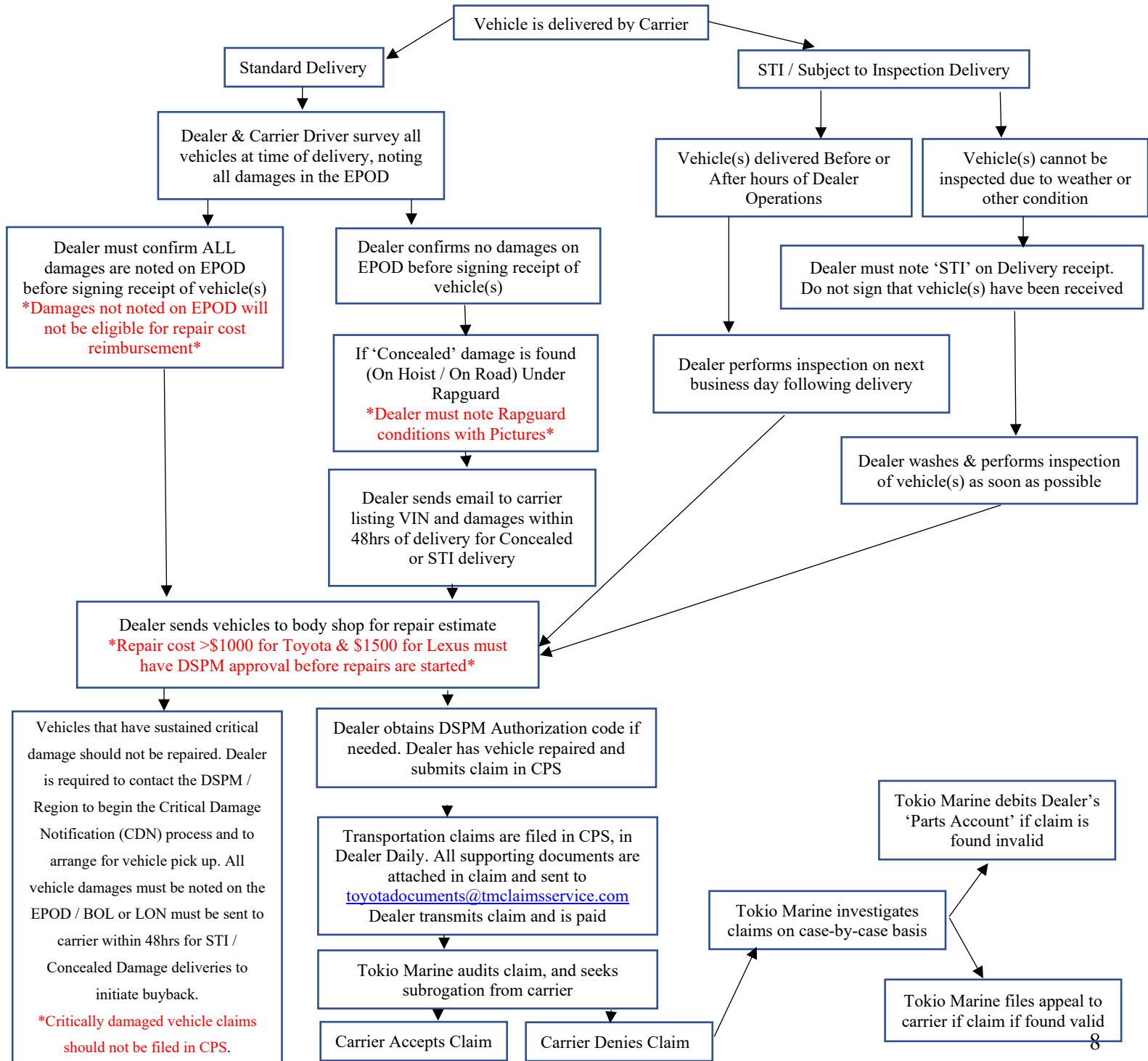
- CPS questions or issues (e.g., CPS Daily Reports, technical issues and functions). Call (877) 353-2459 for CPS support.
- Request for information obtainable through CPS (e.g., in-service date, claim status, vehicle claim history; etc.).

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 1

Section: Introduction
Policy: VEHICLE TRANSPORTATION CLAIMS PROCESS
Policy #: 1.3

Vehicle Transportation Claims Process Flow Chart



TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 2

Section:	New Vehicle Delivery Preparation
Policy:	GENERAL INFORMATION
Policy #:	2.0

DELIVERY PREPARATION

To ensure smooth and efficient delivery of vehicles, the dealer should:

- 1) Provide the carrier with the latest schedule of business hours, including specific days and hours when vehicle deliveries are permitted. *
- 2) Designate and maintain a specific entry and exit corridor.
- 3) Designate and maintain a specific unloading and staging area. This area should be free of congestion, surface obstructions, low-lying overhead objects (tree branches), and should allow drivers to safely maneuver during the unloading process of their transport equipment.
- 4) **A minimum of two (2) receiving representatives should be made available for the inspection process. These individuals should be thoroughly trained in damage inspection procedures and damage documentation. They must be available to inspect vehicles during the business hours indicated in Step 1 of Delivery Preparation**

** Vehicles delivered outside the specified hours are considered subject to inspection (STI). Please see Policy 4.3 for further clarification.*

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 3

Section:	New Vehicle Acceptance
Policy:	GENERAL INFORMATION
Policy #:	3.0

Policy

All effort is expended to ensure delivery of damage free vehicles; however, it is possible that a vehicle may arrive in a damaged condition. **It is REQUIRED that dealers accept delivery of all vehicles, regardless of the presence of damage. All damage must be noted on the delivery document at time of delivery.** It is highly recommended that digital photos be taken to support damage documentation.

Carriers are NOT responsible for damage that is not noted on the delivery receipt, except for concealed damage as discussed in section 4.4. Dealers will be debited back for repairs for damage not noted on the delivery receipt during a joint inspection. Make sure the carrier driver has listed all damages on Bill of Lading (EPOD) before the dealer rep signs receipt of vehicles on a live delivery.

Dealers must immediately notify their Area/Regional/Fleet Office in all cases of suspected critical damage. The Area/Regional/Fleet Office will inspect the unit and determine its ultimate disposition.

Dealer will be held liable for all repair cost when claims are denied for lacking required damage documentation, carrier notification, and/or not obtaining authorization from the Regional/Area office/Fleet before repairs are made.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Section:	New Vehicle Inspection
Policy:	GENERAL INFORMATION
Policy #:	4.0

Continued success requires that we strive toward the highest levels of quality and customer satisfaction in the industry. We can further this goal by helping to ensure that the factory quality built into each vehicle is maintained throughout the entire transportation and handling process.

A careful, conscientious inspection at the time of vehicle delivery will help to ensure that only damage free, factory-fresh vehicles are delivered to customers. A thorough delivery inspection will also ensure prompt and full recovery of repair costs due to transport damages and shortages.

After the joint inspection between the carrier and a dealer representative, the cost of any completed repairs or shortages that are not noted on the delivery document, at the time of delivery, will be charged back to the dealer. If the damage is not concealed damage and it is not noted on the delivery receipt, the carrier is not liable for said damage.

Do not file claims for damages that are not noted on the delivery receipt, except for concealed damage as discussed in section 4.4, because the carrier is not liable for damage that is not noted on the delivery receipt, resulting in the claim being debited back.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Section:	New Vehicle Inspection
Policy:	DAMAGE IDENTIFICATION, DAMAGE AREA, AND DAMAGE TYPE
Policy #:	4.1

DAMAGE IDENTIFICATION

The proper identification of transportation-related damages and shortages at the time of inspection is critical to dealer recovery. Therefore, it is of the utmost importance that the dealer appoints at least two representatives who are knowledgeable and experienced in receiving and inspecting new vehicles.

For the dealer's protection, no dealer personnel, other than those appointed should inspect the vehicle and sign the delivery document.

DAMAGE AREA

All damaged areas must be noted on the delivery document at time of delivery. Dealers will not be reimbursed for repairs made to panels or components not noted on the delivery document. Damages found after the Bill of Lading (EPOD) will not be eligible for repair cost reimbursement.

DAMAGE TYPE

It is crucial to identify 'Damage type' at the time of delivery. Identification of 'Damage type' is beneficial for:

- *Damage Prevention Efforts:* Aid Toyota in reducing the cause of a particular type of damage and eliminate it from recurring.
- *Dealer Reimbursement:* Undocumented or incorrect damage type will result in partial or total chargeback. Do not submit claims for damage that is not noted on the delivery receipt, except for concealed damage as discussed in section 4.4.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Policy #4.1

The following illustrative pages have been developed in order to assist you in the proper classification of damages types commonly found during new vehicle inspection.

- *Claims Administration:* Proper type of damage will ensure complete claim recovery from the carrier.

TRANSPORTATION DAMAGES



DAMAGE TYPE CODE 01: BENT

Deformed panel or part resulting from impact. This code is different from “Broken” or “Dented.” Damage is not considered transportation if caused by factory misalignment.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Policy #4.1



DAMAGE TYPE CODE 02: BROKEN (EXCEPT GLASS)

Inoperable. Also, to separate into two or more pieces due to impact.



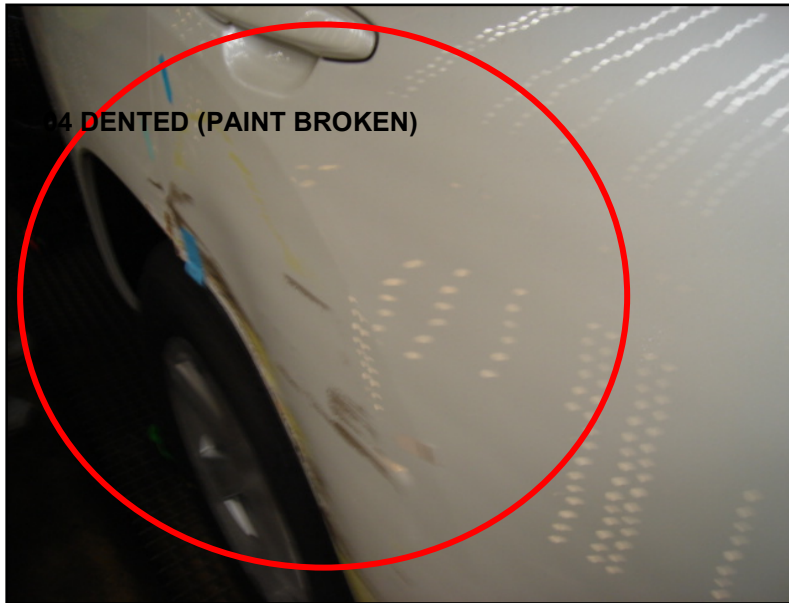
DAMAGE TYPE CODE 03: CUT

A smooth-edged separation caused by a sharp-edged instrument. Not a “Break,” “Crack” or “Tear” Not considered transportation if caused by factory installation.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Policy #4.1



DAMAGE TYPE CODE 04: DENTED (PAINT BROKEN)

An inward surface depression (outside-in), with paint broken, caused by impact. An outward dent (inside-out) is not considered transportation. On metal surfaces, a dent typically requires metal time, in addition to paint refinishing time, to repair.



DAMAGE TYPE CODE 05: CHIPPED (EXCEPT GLASS, PANEL EDGE)

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Policy #4.1



DAMAGE TYPE CODE 06: CRACKED (EXCEPT GLASS)



DAMAGE TYPE CODE 07: GOUGED

A groove or cavity chiseled or scooped out causing damage to metal or plastic surfaces. On metal surfaces, a gouge typically requires metal time, in addition to paint refinishing time, to repair.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Policy #4.1



DAMAGE TYPE CODE 08: MISSING (EXCEPT MOLDING/EMBLEM)

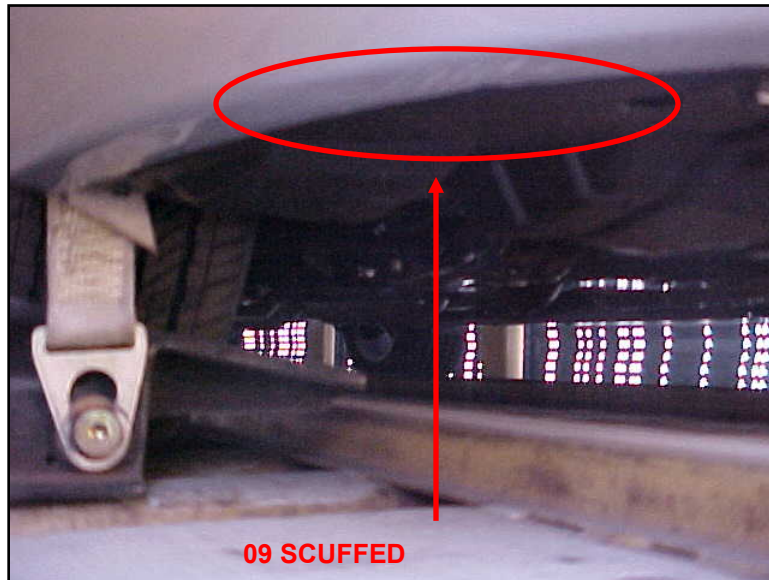
Vehicle part is not present at time of delivery inspection. Examples of missing items include: keys, floor mats, wheel covers, cargo mats, etc.

Not considered transportation if incorrect component installed by factory.
Missing owner's manuals and SD Cards are warranty items but require DSPM authorization.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Policy #4.1



DAMAGE TYPE CODE 09: SCUFFED

A scrape mark that typically does not break the paint surface. Metal/Repair time is not required.

If scuff can be buffed or compounded out it is considered commercially acceptable and not a payable transportation claim.



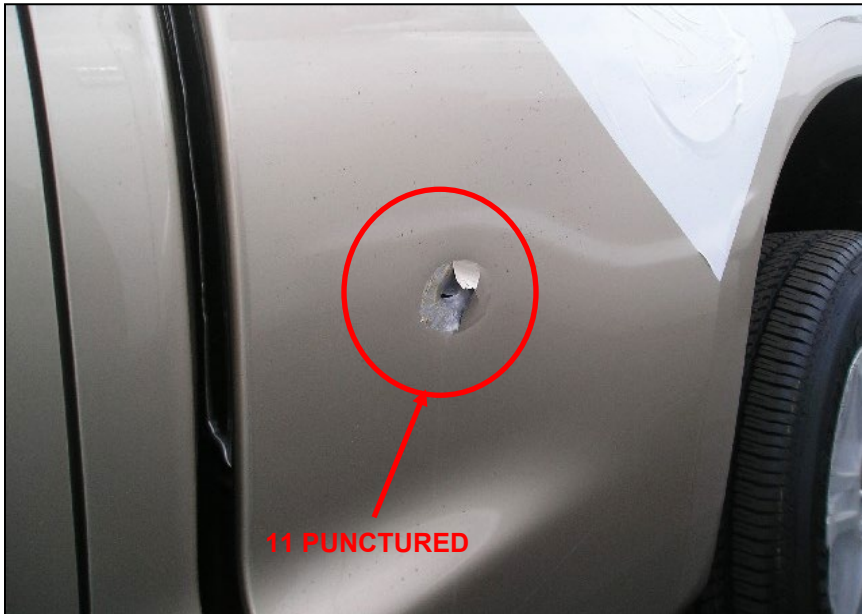
DAMAGE TYPE CODE 10: STAINED OR SOILED INTERIOR

The staining or soiling of an interior surface by a foreign substance.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Policy #4.1



DAMAGE TYPE CODE 11: PUNCTURED

A hole or perforation caused by piercing.



DAMAGE TYPE CODE 12: SCRATCHED (EXCEPT GLASS)

A narrow-line type mark or cut in painted, chrome, or plastic surfaces. In painted surfaces, damage is through clear coat and/or reaches prime coat or metal. Metal/Repair time is not required on a scratch to repair.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Policy #4.1



DAMAGE TYPE CODE 13: TORN

Similar to “Cut,” but edges are rough or jagged. Not considered transportation damage if due to factory misalignment or installation.



DAMAGE TYPE CODE 14: DENTED - PAINT/CHROME NOT DAMAGED

An inward surface depression (outside-in), having no visible damage to the paint, caused by impact or pressure. An outward dent (inside-out) is not considered transportation.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Policy #4.1



DAMAGE TYPE CODE 20: GLASS CRACKED

Glass is still intact. Typically caused by impact from foreign object.



DAMAGE TYPE CODE 21: GLASS BROKEN

Glass has broken into pieces as a result of impact to the glass or nearby panel or molding. Not to be described as “Cracked” (pieces remain together).

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Policy #4.1



DAMAGE TYPE CODE 22: GLASS CHIPPED

A particle or fragment of glass broken off as a result of impact.



DAMAGE TYPE CODE 23: GLASS SCRATCHED

A narrow-line type mark in glass surface as a result of impact.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Policy #4.1



DAMAGE TYPE CODE 34: CHIPPED PANEL EDGE

A small area *of* missing paint due to impact.

Not considered a payable transportation claim if repair requires only touch up (“BTU,” Brush-Touch-Up).

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Policy #4.1

WARRANTY DEFECTS

Not considered transportation damage. File as warranty claim.



GLASS STRESS CRACK

Cracks in glass originating beneath a panel edge or molding with no evidence of impact to nearby panels, pillars, or moldings.

NOTE: Do not note that damage is or may be “Warranty” on the delivery receipt. Carriers are not liable for damage identified as warranty. Non-warranty damage, that has been noted as “Warranty” may be unrecoverable.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Policy #4.1



LOOSE OR MISSING MOLDING/ EMBLEM

Loosening of a molding or emblem as a result of a defect in materials or factory installation. Not warranty if loosening is due to impact to molding/ emblem or an adjacent part during the transportation process.



MISALIGNED PANEL/ PART

Misalignment of vehicle panels or parts as a result of improper installation at the factory.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

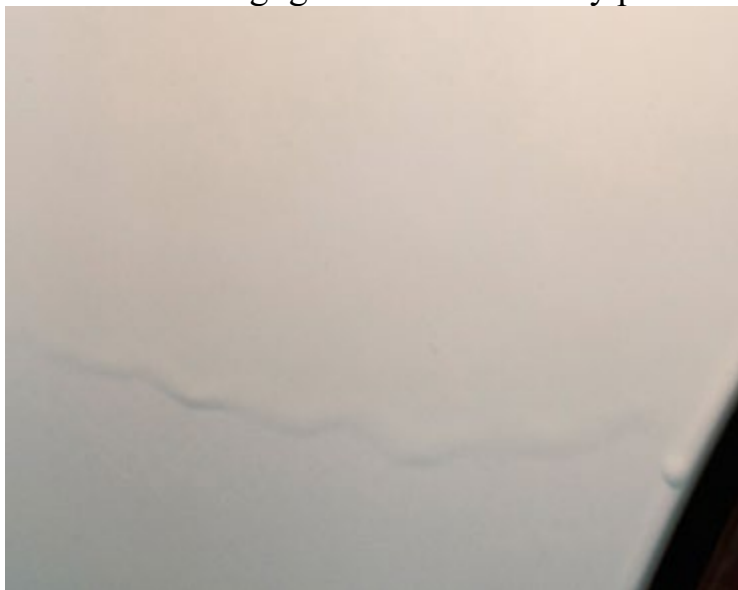
Section 4

Policy #4.1



INSIDE-OUT DENT

A dent typically caused during factory production from an object striking the inside of a panel. The paint surface may or may not be broken. Not transportation unless carrier negligence is conclusively proven.



PAINT RUN

A paint flaw occurring during factory production.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Policy #4.1



FOREIGN MATERIAL IN PAINT

A paint flaw occurring during factory production from dirt in the paint or improper preparation of panel surfaces prior to painting.



Close up of hood showing blistering

PAINT BLISTERING

A loss of adhesion of the paint to the panel surface resulting from contaminants in the paint or improper panel preparation during vehicle production.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Policy #4.1



FLUID SPILLAGE

Discoloration of an exterior surface by a fluid substance. Not transportation if source of fluid is determined to be from a factory defective Toyota component (e.g., battery) from the same or another vehicle.



FLAT TIRE

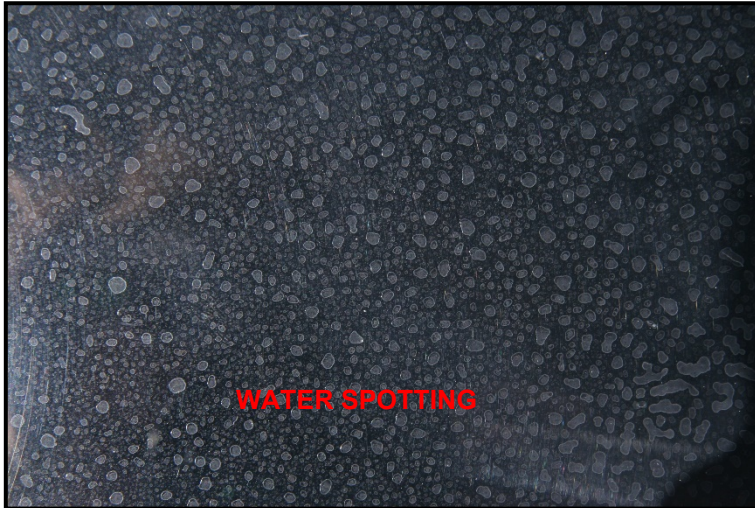
Loss of air due to factory installation or an imperfection in the tire. Considered transportation if condition is a result of impact or penetration (as if by a nail) damage. Contact tire manufacturer for replacement if defective.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

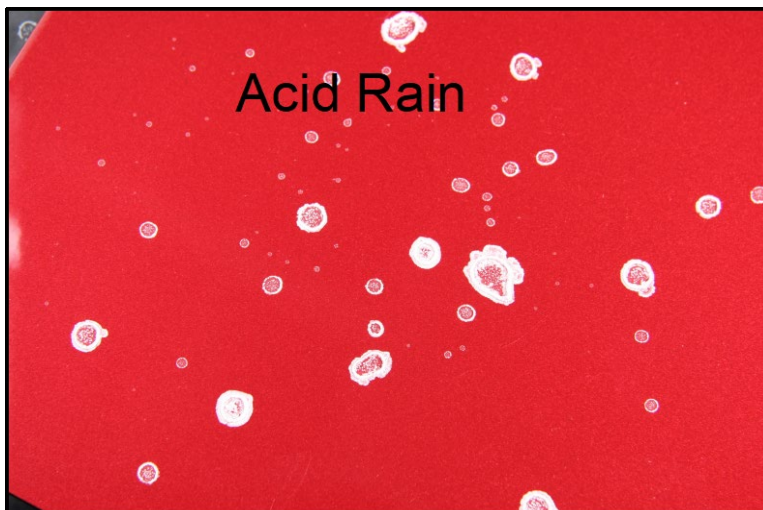
Policy #4.1

OTHER DAMAGE



WATER SPOTTING

Spotting to mostly horizontal paint surfaces caused by mineral deposits left after water evaporation. Not considered a payable damage as deposits typically do not break the paint surface and can be buffed or compounded out.



ACID RAIN

Spotting to mostly horizontal paint surfaces caused by environmental fallout. Acid rain damage is not covered by the new vehicle limited warranty or by transportation carriers. Repairs for fallout damage may be eligible for goodwill consideration (see Section 5.0).

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Policy #4.1



RAIL DUST

Metallic particles on mostly horizontal paint surfaces resulting from rail transit. Rail dust damage is not covered by the new vehicle limited warranty or by transportation carriers.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Section:	New Vehicle Inspection
Policy:	DAMAGE DOCUMENTATION
Policy #:	4.2

CARRIER DELIVERY DOCUMENT

Carriers are required to provide a delivery document for each new vehicle for the purpose of recording delivery and noting any transportation damage or shortage. This includes EPOD* deliveries. In the case of EPOD deliveries, carriers must provide the dealerships with access to the EPOD delivery receipts.

The dealer **must** record all visible damages and shortages on the delivery document before accepting vehicles and signing the carrier's EPOD device or delivery document.

In instances, where a driver's notations already exist on the delivery document, it is still the dealer's responsibility to confirm/deny the driver's comments on the delivery document prior to signature and acceptance of the vehicle.

The carrier is not liable for any damages or shortages, which do not appear on the carrier's delivery document after the dealership has signed for it. The only exceptions to this policy are damages or missing items discovered during a concealed damage or delayed inspection. These special conditions are discussed in Section 4.4.

It is **strongly recommended** that both the carrier and dealer representative observe the following guidelines when filling out the delivery document:

- 1) ALL deliveries are now EPOD deliveries. In the case of an EPOD delivery, the damage should be entered into the EPOD prior to the dealer's representative signing. It is the dealer representative's responsibility to ensure all damage has been noted. Carrier is not liable for damage not noted on the EPOD or delivery document.

*EPOD – Electronic Proof of Delivery, software on carrier's iPhone or tablet that acts as a Bill of Lading or Delivery Receipt. EPOD is emailed to dealer after delivery with dealer and driver signatures and any comments/damage notations that may be recorded during inspection.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Policy #4.2

- 2) When EPOD delivery is not available, write directly on the delivery document when making the vehicle inspection to ensure a more accurate and complete report. All writing must be done on the top copy only. Press firmly when making notations so that all copies can be easily read. Print legibly and fill in all applicable information.
- 3) Prepare the delivery document with care, accuracy, and truthfulness.
- 4) The dealer will be charged back for damage that is not noted on the EPOD or delivery receipt during the joint inspection. **The carrier is responsible for obtaining the name of the dealership's employee that signs for the vehicles. It is recommended that the dealership's employee prints their name legibly and signs their name on the EPOD or delivery receipt.**

Five Digit Damage Codes

Most damage is documented using an industry accepted five-digit damage code system. This system standardizes inspection recording, eliminates incomplete and illegible handwritten notations, and allows damage to be recorded easily.

The five-digit code system permits the dealer to provide a detailed description of the damaged area(s), the type of damage, and the damage severity. The damage code system is based on the following five-digit arrangement:

<u>Descriptor</u>	<u>Number of Digits</u>	<u>Digit Range</u>
Damage Area	2	00-99
Damage Type	2	00-99
Damage Severity	1	1-6

A full description of each damage code can be found at Exhibit 4C.
An example is as follows:

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Policy #4.2

A **scratch** to the **rear bumper** with a length of **5 inches** would be coded:

<u>Damage Area</u>	<u>Damage Type</u>	<u>Damage Severity</u>
04	12	3

Please refer to Exhibit 4B (Page 43) for information on how to record damage on delivery documents designed around the 5-digit damage code system.

Handwritten Damage Notations

Handwritten notations are not valid for filing a transportation claim unless they are on the top copy of the delivery receipt and signed for by both the carrier and dealer representatives.

If the five digit damage code is not used, the dealer must make handwritten damage notations. All damages or shortages must be written legibly. Driver must have the same noted copy. The dealer will be required to convert the handwritten notations into the 5-digit arrangement before CPS will accept a claim.

Handwritten damage notations or remarks will have a direct impact on claim payment. Handwritten notations should primarily be limited to describing damage area, type (e.g., dent, scratch), and severity, as well as indicating special delivery or vehicle inspection conditions (refer to Section 4.4, Delayed Inspection).

The dealer should refrain from making notations regarding the possible causes of damage (e.g., “Possible Factory Defect,” “Warranty,” “Not Carrier Responsibility,” etc.). **Any notations referring to factory/warranty damage must be filed as a warranty claim, and will prevent the filing of a transportation claim for said damages.**

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Section:	New Vehicle Inspection
Policy:	STANDARD VEHICLE INSPECTION
Policy #:	4.3

Policy

Before accepting vehicles and signing any acknowledgments of receipt (e.g., delivery document), it is the responsibility of the dealer to make a thorough inspection of all vehicles received and to note any shortages and damages. **Failure to properly document damages or follow recommended inspection procedures will jeopardize the dealer's ability to recover the cost of repairs.**

NORMAL BUSINESS HOURS

Vehicles delivered during normal business hours are to be inspected immediately by the dealer's trained representative and in the presence of the driver. The inspection should begin while the vehicles are still on the trailer.

Note: For obvious safety reasons, dealer personnel must never enter or climb onto transport equipment.

ON BOARD

This first inspection, commonly referred to as an "on-board" inspection, is to check for:

- Improper tie downs.
- Undercarriage damage - exhaust system, suspension, frame, gas tank, brake lines.
- Fluid leakage - to determine source (e.g., trailer hydraulic fluid, battery leakage, fluid from other vehicles).

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Policy #4.3

ON GROUND

After the onboard inspection is complete, an on ground inspection should be performed. The on ground inspection is conducted while the carrier driver is still present.

Although tariff regulations vary, the dealer is generally **allowed one-hour** free time per load from the time of staging to make an on ground inspection. Tariff regulations allow the carrier to charge the dealer for time beyond the one-hour free waiting period. The dealer should use this time wisely to perform a **conscientious** inspection and to **thoroughly** record all damages and shortages on the delivery document. *If the dealer does not begin the inspection within one hour, the carrier may leave, and the carrier will not be liable for damage that has not been noted on the delivery receipt.*

The on the ground inspection is to check for:

- Scratches, dents, cuts, stains, damage to body trim, glass cracks, pitting or rock damage (exterior panels).
- Accessories and optional equipment as noted on the Monroney Label (e.g. Floor mats, wheel covers, etc...)
- Interior items, such as seat cushions, carpet, sun visors, headliner, door trim, console, dash and the instrument panel.

Note: Special attention should be given to interior around the driver's area.

- Trunk contents - spare tire, jack, wheel cover, tool kit.
- Under the hood - missing equipment, damaged components, fluid leaks.

Note: If there is damage to the trunk, hood, or roof, a check for related damage should be performed under the hood, inside the trunk and under the molding (windshield cracks).

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Policy #4.3

On Ground, continued;

Rapguard Protective Masking

The dealer may receive vehicles masked with an adhesive plastic film known as Rapguard. This material is intended to provide protection against airborne and waterborne contamination such as industrial fallout, acid rain, and rail dust.

To provide optimum protection, it is recommended that the dealer leave the Rapguard on the vehicle until the maximum allowable time limit.

The on ground inspection for vehicles masked by Rapguard is no different than for unmasked vehicles except:

- All masked vehicle surfaces should be inspected to identify areas where the Rapguard may have been disturbed. Disturbance includes:
 - Torn, Ripped, Scuffed, Scraped, Scratched, Stained, Removed & Re-Applied, Soiled, Punctured, Loose, Lifted, Sliced, Cut, Gouged, or Pushed Inward as if from Impact or Pressure, etc.
- If a disturbance is found, the Rapguard should be removed in the disrupted area, in the presence of the driver. Any damage found should be coded on the delivery document, including a notation as to the type of disturbance which prompted the Rapguard removal (i.e. “Rapguard was scraped or torn”).
- If damage is found in the area of disturbance, a transportation claim should be filed. Carrier is not liable for damage found under ***undisturbed*** Rapguard.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Policy #4.3

Rapguard Protective Masking, continued;

For specific information regarding claims procedures when damage is found beneath **undisturbed** Rapguard, subsequent to delivery inspection, see Section #5.0, “Hidden Damage Beneath Rapguard.”

Policy

The driver may leave after the dealer representative has performed the on board and on ground inspections for both masked (i.e., Rapguard) and unmasked vehicles. The following must be completed:

- Both parties must sign the delivery document.
- The correct date, time, and damages should be noted clearly and legibly, (all copies), or on the EPOD device.
- Once the driver has left, no further damages or shortages may be recorded on the delivery document. (See policy 4.4 for after-hours delivery procedures.) ***For example, damages that have been handwritten on a printed copy of an EPOD delivery receipt will be denied as transportation damage, unless signed by both the carrier and dealer’s representative***

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Section:	New Vehicle Inspection
Policy:	NON-STANDARD VEHICLE INSPECTION
Policy #:	4.4

CONCEALED DAMAGE

After the carrier driver has left and the on board and on ground inspections have been completed, the dealer should continue surveying for concealed damage.

To inspect for concealed damage, the vehicle should be placed on a hoist or over a pit and the undercarriage carefully examined to reveal concealed damage.

ON HOIST/ PIT

The concealed damage inspection should check the following:

- Exhaust system
- Suspension system
- Frame
- Gas tank
- Brake lines
- Inner wall and tread area of tires
- Engine and drive compartments
- Underbody sheet metal
- Tie down brackets

ROAD TEST

A road test may also be conducted to identify concealed damage.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Policy #4.4

CONCEALED DAMAGE LETTER

If concealed damage is discovered, it is the responsibility of the dealer to send a *Concealed Damage Letter* (Exhibit 4C) to the delivering carrier within 48 hours after delivery, (excluding Saturdays, Sundays, and holidays).

The *Concealed Damage Letter (Letter of Notification or LON)* should be emailed, mailed or faxed to the carrier mailing address noted on the delivery document. It should be addressed to the attention of the carrier's "Claims Department."

To ensure that this notice was sent within the allowable 48-hour time limitation, it is required that dealers retain proof of written notification. Examples include:

- Certified Mail-Return Receipt Requested
- Fax/Email confirmation with time stamp
- Overnight mail receipt with delivery signature
- LON and all supporting documents should be sent to:
 - toyotadocuments@tmclaimsservice.com

Failure to do so may result in denial of the claim. It is not necessary to forward a copy of the *Concealed Damage Letter* or proof of 48 hour notification to TMS unless it is specifically requested.

The dealer should carefully document on the *Concealed Damage Letter* all damages found during the on hoist and road test inspection.

Policy

The dealer risks recovery of repair costs for concealed damages if the *Concealed Damage Letter* is not sent within the prescribed 48-hour time limitation.

Concealed damage claims that are submitted without a Letter of Notification, or that are submitted after 48 hours, will result in the dealer being charged back if the carrier denies the claim.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Policy #4.4

Concealed Damage Policy, continued;

Damages that can be seen during the normal on ground inspection but are not found until after the carrier driver leaves, **are not considered concealed**. The following ***do not*** qualify as concealed damages if found after the driver has left:

- Glass damage.
- Scratches, chips, gouges, dents, or other impact damages to exterior body panels (i.e., except underbody). This includes continuous panel surfaces that curve under the vehicle such as bumpers, facias, and rocker panels.
- Damage to roof panels or roof components (i.e., sunroof, roof rack) that are above the line of vision.
- Missing items (e.g., spare tire, jack, tool kit, mats, wheel covers, etc.)
- Other factory or port installed options and accessories.
- Any damage that can be seen without having to conduct an on hoist or road test inspection.
- Damage that is undetected because the vehicle is dirty. Dirty vehicles should be washed immediately so that they may be inspected in the presence of the carrier driver. If this is not possible, ***Delayed Inspection (STI)*** procedures noted below should be followed.

DELAYED INSPECTION

A delayed inspection may be undertaken only under the following circumstances:

- 1) **Vehicles are delivered before or after normal business hours of the dealer service department.**
- Or***
- 2) **Vehicles are delivered in a condition in which they are too dirty or ice/snow-covered to perform a complete inspection.**

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Policy #4.4

Or

- 3) Vehicles delivered during inclement environmental conditions (e.g. snowstorm, hail, etc.)

If vehicles are delivered outside of business hours, **the dealer must inspect them during the next regular business day as soon as possible, prior to moving the vehicle or beginning PDI. All damage must be documented before moving the vehicle or beginning PDI. Only exception is if the vehicle is too dirty to inspect, or covered with snow or ice, the dealer may wash the vehicle prior to inspection.**



TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Policy #4.4

In instances where a vehicle is too dirty or ice/snow-covered to perform a complete exterior inspection and the transport driver can't wait until the unit can be cleaned, the dealer must:

- Inspect those areas not affected (vertical panels and the interior) before the driver departs. Damages, if any, should be recorded on the delivery document.
- The dealer representative must note on the delivery document **“Subject to Inspection,”** as well as the reason that only a partial inspection was performed (e.g., “Too Dirty to Inspect,” etc.). **The above remarks must be made while the driver is still present and before the delivery document is signed-off by either party.**
- Wash, clean, and inspect the vehicles the following business day (excluding Saturdays, Sundays, and holidays).

Delayed inspection due to delivery outside of normal business hours or due to vehicle surfaces covered with ice, dirt, or snow, it is vital that the dealer complete an inspection as soon as possible and avoid moving the vehicle as much as possible before inspection. Any damages found on this inspection must be recorded on the Delayed Inspection Letter (a.k.a. Letter of Notification or LON) (Exhibit 4C).

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Policy #4.4

DELAYED INSPECTION LETTER (EXHIBIT 4C)

It is the responsibility of the dealer to send a ***Delayed Inspection Letter*** (Exhibit 4C) to the delivering carrier within **48 hours after delivery**, (excluding Saturdays, Sundays, and holidays). For example, if a damage unit is delivered before business opens on Monday morning, the dealer needs to send the Letter of Notification of Damage (noting all damage) before close of business Tuesday evening.

The ***Delayed Inspection Letter*** should be mailed or faxed to the carrier mailing address noted on the delivery document. It should be addressed to the attention of, “Claims Department” of the carrier you’re notifying.

To ensure that this notice was sent to the carrier (not TMS) within the allowable 48-hour time limitation, it is required that dealers retain proof of written notification. *For vehicles delivered by Toyota Transport, send notification directly to Toyota Transport, not TMS Claims.*

Examples include:

- Certified Mail-Return Receipt Requested
- Fax/Email confirmation (keep a hard copy of fax confirmation/email)
- Overnight mail receipt with delivery signature.

Failure to do so may result in denial of the claim. It is not necessary to forward a copy of the ***Delayed Inspection Letter*** or proof of 48 hour notification to TMS unless it is specifically requested.

Policy

When the vehicle is unable to be immediately inspected due to severe weather or due to it being covered with dirt, snow, or ice, the dealer must note on the delivery receipt “**subject to inspection**” (**Do not sign that vehicle(s) have been received.**) The dealer risks recovery of repair costs if the required delayed inspection notation is not made on the delivery document in the presence of the delivery driver, and if the ***Delayed Inspection Letter*** is not sent within the prescribed 48-hour time limit. *Carriers can deny claims if the subject to inspection policy is not followed.*

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Exhibit 4A

DELIVERY DOCUMENT PROCEDURES

(Delivery document Based on 5-Digit Damage Code System)

Please note that delivery document formats may vary by truck carrier. All notations must be made on the EPOD delivery receipt or on the *top copy* only if it is a handwritten delivery receipt.

1. The dealer should first check that the delivery document corresponds to the units being surveyed. Important information includes:
 - **Vehicle Identification Number (VIN)**
 - **Truck Carrier's Address:** This information should be displayed on the top of the delivery document. All Concealed Damage and Delayed Inspection Letters must be sent to this address. See policy 4.4 for Non-Standard Vehicle Inspections.
2. Most delivery documents will provide an area adjacent to each VIN. This area should be used to describe and document vehicle damage/missing items. Damages documented in other areas of the delivery document may result in the denial of the claim.
3. If damage is found, the dealer must appropriately document all damages including related damage, which resulted from the original damage. An example would be a shattered rear window resulting in chipped paint on the roof and deck lid. In this case the following 5 digit damage codes would be used:

	<u>Damage Area</u>	<u>Damage Type</u>	<u>Damage Severity</u>
(Glass Rear)	21	21	6
(Roof)	37	05	5
(Deck Lid)	52	05	5



4. Note any missing items based on the Monroney Label. (e.g. Floor mats, wheel covers, etc...)
5. Additional remarks to clarify damage and/or to indicate delivery condition (e.g., "Subject to Delayed Inspection, Vehicle Too Dirty to Inspect," etc.) should also be noted on the delivery document.
6. When dealer and driver are present, both must sign for the delivery. Failure to do so during normal business hour deliveries will jeopardize claim payment.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Exhibit 4B

EPOD DELIVERY RECEIPT (BILL OF LADING)

C		DELIVERY RECEIPT		19046552	
Cassens Transport Co. 145 N. Kansas Street Edwardsville, IL 62025 P(630) 820-1600 http://claims.cassens.com			Orgin: 30 Ship Date: 10/01/2019 Load #: 19046552 HmTrm: 30 Driver: 3285 WILLIAMS, JONATHAN H HlpTrm: 30 Truck #: 14537 Trailer #: 14538 Delivery Hours: M 0730-2100 T 0730-2100 W 0730-2100 T 0730-2100 F 0730-2100 S - S - After Hours: N Special Instructions: ****NEW ADDRESS EFF 4/3/18****		
Ship To: TO 12150 CHICAGO NORTHSIDE TOYOTA 6042 N WESTERN AVE CHICAGO, IL 60659 (708) 728-5000					
Ship From: CASSENS 3401 LIBERTY ELWOOD, IL 60504 http://claims.cassens.com					
Pos	Reference	Pro #	VehicleID	Description	
6	LK	65121292	JTDL9RFUXK 3009811	TOYOTA PRIUS	
8	LK	65124585	JTDEBRBE6L J017803	TOYOTA COROLLA HYBRID LE	
		13 7 1			
4	LK	65124586	JTDEBRBE4L J017914	TOYOTA COROLLA HYBRID LE	
3	LK	65121293	JTDL9RFU5K 3009876	TOYOTA PRIUS	
11	LK	65123048	JTMLWRFV8K D025128	HYBRID RAV 4	
7	LK	65123049	JTMP1RFV6K D038668	TOYOTA RAV 4	
Dealer Remarks: J017914 HOOD MISALIGNED NOT DUE TO TRANSPORTATION ON OUR TRUCK J017803 DAMAGE UNDER FRONT BUMPER HAS YELLOW PAINT, NOT DUE TO TRANSPORTATION ON OUR TRUCK			Carrier Remarks: _____ _____ _____ _____		
Dealer Signature: 			Carrier Signature: 		
Printed Name: Ray Lopez Email: Vehicle_Delivery12150@toyota.com			Date: 10/01/2019 Time: 12:11 CDT Drop # 1 of 1		
To submit Damage Notifications, please visit http://claims.cassens.com Instructions for vehicle tracking: http://www.cassens.com/faq/					
Rendered on: 01-Oct-2019 12:19:47 PM CDT					

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Exhibit 4C

LISTING OF DAMAGE CODES: Damage Area

00 NO EXCEPTIONS	50 TRIM PANEL-RIGHT FRONT
01 ANTENNA/ANTENNA BASE	51 OPEN
02 BATTERY/BOX	52 DECKLID/TAILGATE/HATCHBACK
03 BUMPER/COVER/EXT-FRONT	53 SUNROOF/T-TOP
04 BUMPER/COVER/EXT-REAR	54 UNDERCARRIAGE/OTHER
05 BUMPER GUARD/STRIP-FRONT	55 CARGO AREA-OTHER
06 BUMPER GUARD/STRIP-REAR	56 VINYL/CONVERTIBLE TOP/TONNEAU COVER
07 DOOR-BACK CARGO, RIGHT	57 WHEEL COVERS/CAPS/RINGS
08 DOOR-BACK CARGO, LEFT	58 RADIO SPEAKERS
09 DOOR,CARGO,RIGHT	59 WIPERS- ALL
10 DOOR-LEFT FRONT	60 SPECIAL USE
11 DOOR-LEFT REAR	61 BOX PICKUP-INTERIOR
12 DOOR-RIGHT FRONT	62 ENTIRE VEHICLE
13 DOOR-RIGHT REAR	63 RAILS, TRUCK BED/LIGHTBAR
14 FENDER-LEFT FRONT	64 DEFLECTOR/SPOILER-REAR
15 QUARTER PANEL/ PICK-UP BOX-LT	65 LUGGAGE RACK (STRIPS)/DRIP RAIL
16 FENDER-RIGHT FRONT	66 DASH/INSTRUMENT PANEL
17 QUARTER PANEL/ PICK-UP BOX-RT	67 CIGARETTE LIGHTER/ASHTRAY
18 FLOOR MATS FRONT	68 CARPET-FRONT
19 FLOOR MATS REAR	69 CENTER POST/PILLAR RIGHT
20 GLASS WINDSHIELD	70 CENTER POST/PILLAR LEFT
21 GLASS REAR	71 CORNER POST
22 GRILLE	72 LEFT FRONT TIRE
23 ACCESSORY BAG/BOX	73 LEFT FRONT WHEEL/RIM
24 HEADLIGHT/COVER/TURN SIGNAL	74 LEFT REAR TIRE
25 LAMP-FOG/DRIVING/SPOT LIGHT	75 LEFT REAR WHEEL/RIM
26 HEADLINER	76 RIGHT REAR TIRE
27 HOOD	77 RIGHT REAR WHEEL/RIM
28 KEYS	78 RIGHT FRONT TIRE
29 KEYLESS/REMOTE	79 RIGHT FRONT WHEEL/RIM
30 MIRROR-OUTSIDE LEFT	80 COWL
31 MIRROR-OUTSIDE RIGHT	81 GAS CAP/COVER
32 MAJOR DAMAGE/AUCTION	82 FENDER-REAR LEFT (T)
33 AUDIO/VIDEO PLAYER	83 FENDER-REAR RIGHT (T)
34 TV/DVD SCREEN	84 TOOLS/JACK/SPARE TIRE MOUNT + LOCK
35 ROCKER PANEL/OUTER SILL-LEFT	85 COMMUNICATIONS/GPS UNIT
36 ROCKER PANEL/OUTER SILL-RIGHT	86 PARKING SONAR SYSTEM
37 ROOF	87 OPEN
38 RUNNING BOARD/STEP-LEFT	88 OPEN
39 RUNNING BOARD/STEP-RIGHT	89 DROP HITCH/WIRE HARNESS/TOW HOOKS
40 SPARE TIRE/ WHEEL	90 FRAME
41 OPEN	91 EXHAUST SYSTEM
42 SPLASH PANEL/SPOILER FRONT	92 LICENSE PLATE BRACKET
43 OPEN	93 STEERING WHEEL/AIRBAG
44 GAS TANK	94 SEAT-FRONT LEFT
45 TAIL LIGHT/HARDWARE	95 SEAT-FRONT RIGHT

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Exhibit 4C

LISTING OF DAMAGE CODES: Damage Area, continued;

46 OPEN	96 SEAT-REAR
47 OPEN	97 CARPET-REAR
48 TRIM PANEL-LEFT FRONT	98 INTERIOR-OTHER
49 CD CHANGER -SEPARATE UNIT	99 ENGINE COMPARTMENT-OTHER

LISTING OF DAMAGE CODES: Damage Type

00 NO EXCEPTIONS	DAMAGED
01 BENT	18 MOULDING/EMBLEM/WEATHER STRIP DAMAGED
02 BROKEN OR MAJOR DAMAGE	19 MOULDING/EMBLEM/WEATHER STRIP LOOSE, MISSING
03 CUT	20 GLASS CRACKED
04 DENTED-PAINT/CHROME DAMAGED	21 GLASS BROKEN
05 CHIPPED EXCEPT GLASS OR PANEL EDGE	22 GLASS CHIPPED
06 CRACKED	23 GLASS SCRATCHED
07 GOUGED	24 MARKER/TURN LIGHT DAMAGED
08 MISSING EXCEPT MOULDING/ EMBLEM	25 DECAL/PAINT STRIPE DAMAGED
09 SCUFFED	29 CONTAMINATION-EXTERIOR
10 STAINED OR SOILED- INTERIOR ONLY	30 FLUID SPILLAGE-EXTERIOR
11 PUNCTURED	34 CHIPPED PANEL EDGE
12 SCRATCHED EXCEPT GLASS	36 INCORRECT PART/OPTION-NOT AS INVOICED
13 TORN	37 HARDWARE, EXTERIOR DAMAGED
14 DENTED-PAINT/CHROME NOT	38 HARDWARE, EXTERIOR LOOSE, MISSING

LISTING OF DAMAGE CODES: Severity

- 0 NO DAMAGE
- 1 DAMAGE UP TO AND INCLUDING 1" LENGTH/DIAMETER (LESS THAN 3CM)
- 2 DAMAGE OVER 1" UP TO AND INCLUDING 3" LENGTH/DIAMETER (3-8CM)
- 3 DAMAGE OVER 3" UP TO AND INCLUDING 6" LENGTH/DIAMETER (8-15CM)
- 4 DAMAGE OVER 6" UP TO AND INCLUDING 12" LENGTH/DIAMETER (15-30CM)
- 5 DAMAGE OVER 12" LENGTH/DIAMETER (OVER 30 CM)
- 6 MISSING OR MAJOR DAMAGE

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 4

Exhibit 4D

DEALERSHIP LETTERHEAD

Date: _____

To: Carrier's Name
Street Address
City, State and Zip Code

Subject: **Report of Delayed Inspection or Concealed Damage**

Vehicle Identification Number: _____

Carrier Delivery Document Number: _____

Date of Delivery _____

Check all applicable statement(s):

Delayed Inspection

_____ A joint inspection could not be made with your representative.

_____ The vehicle referenced above was received at the close of or after our regular business hours. Our inspection disclosed the following damage as noted on the REMARKS section below.

_____ The vehicle was delivered in a condition in which it was too dirty or ice/snow-covered to perform a complete inspection. Our subsequent inspection disclosed the following damage as noted on the REMARKS section below.

_____ Vehicles delivered during inclement weather (e.g. snowstorm, hail, etc...)

REMARKS: _____

Concealed Damage

_____ Since the time the vehicle was received, we have discovered the following concealed damage:

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 5

Section:	Special Damage
Policy:	GENERAL INFORMATION
Policy #:	5.0

CRITICAL DAMAGE

Critical damage to a new vehicle is defined as damage of such an extent as to make it questionable that a vehicle can be satisfactorily repaired and sold as new. Any one or more of the following damage classifications constitutes critical damage:

- Damage to a frame member, suspension, or body structural member which requires welding to repair or replace (e.g., radiator core support, roof, 1/4 panel, frame).
- Damage requiring frame straightening or frame repair.
- Damage to appearance items to such an extent as to make it questionable that the vehicle can be repaired to the original appearance level.
- Severe air or water, contamination, or pollution damage. Examples of this damage classification are windstorm damage, flooding, hail, acid rain, environmental fallout, etc.
- Fire damage.
- Damage requiring a full vehicle re-paint.
- Any other damage which affects the safety of the vehicle.

Policy

Dealers must immediately notify their DSPM in all cases of suspected critical damage. The DSPM will inspect the vehicle and determine its ultimate disposition.

Under no circumstances is the dealer to repair or sell a critically damaged vehicle.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 5

Policy #5.0

FALLOUT DAMAGE

Fallout damage is defined as vehicle surface contamination resulting from air and waterborne contaminants such as acid rain, stack ash, and rail dust.

Fallout damage is not covered by the new vehicle limited warranty or by transportation carriers.

Policy

Repairs for fallout damage may be eligible for goodwill consideration if the damage occurred prior to delivery. In order to demonstrate that fallout damage occurred prior to delivery, the dealer must document and clearly define the damage in the remarks section of the delivery document at the time of vehicle arrival.

A DSPM must be notified immediately to schedule an inspection and to issue further instructions.

HIDDEN DAMAGE BENEATH RAPGUARD

Dealer Daily will inform the dealer when the maximum allowable time limit is about to expire for keeping Rapguard protective masking on each vehicle. In rare instances, Rapguard may conceal damage caused during factory production.

Policy

If hidden damage is found beneath undisturbed Rapguard, the condition of the Rapguard must be noted and pictured. **DSPM must be notified** immediately to schedule an inspection. Upon DSPM approval, a warranty claim may be filed for hidden damage. To ensure claim payment, the claim must:

- 1) Be filed as a warranty claim
- 2) Be set up as a paint claim
- 3) Have a DSPM authorization code and number
- 4) Have 69 as the TI code

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 5

Policy #5.0

Fallout Damage Policy, continued;

- 5) Have T2 and T3 codes that describe the damage type and area
- 6) Have the following CCR description: “Hidden (*see note below) Found Beneath Rapguard”

Note: Type of damage should be noted, for example, “Scratch.”

All dealers, including *Service Manager Authorization Program* (SMAP) dealers, are required to receive DSPM authorization before any hidden damage claims may be filed to TMS Warranty.

FLUID DAMAGE

Receiving a new vehicle, which exhibits surface fluid damage, requires both the dealer and carrier to conduct a thorough investigation to determine the source of the fluid. If the leakage came from another vehicle, the make, model, and serial number of that vehicle must be recorded on the delivery document. The color of the fluid should be documented and, if possible, the fluid type should be identified.

If carrier negligence is determined to be at-fault for the fluid spillage, this should be clearly noted on the delivery document, along with any descriptive information explaining the cause and circumstances.

Listed below are typical fluid types and damage that may result upon their spillage:

- Brake Fluid - dissolves paint
- Battery Acid - dissolves paint
- Transmission Oil - does not destroy paint

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 5

Policy #5.0

Fluid Damage, continued;

- Motor Oil - does not destroy paint
- Hydraulic Fluid - does not destroy paint

Policy

As with waterborne or airborne contamination, the DSPM should be notified immediately to schedule an inspection if fluid spillage damage is discovered. Painted and non-painted surfaces on vehicles must be inspected by the DSPM.

The dealer must obtain authorization from the DSPM before proceeding with repairs.

Note: Claims for fluid spillage damage resulting from defective Toyota components (e.g., battery, brakes, etc.) should be filed as warranty claims, even if the source of the damage is another Toyota vehicle.

ACTS OF GOD

When a vehicle is delivered that was damaged by natural causes such as weather (hail, high winds, flooding, etc.) or an animal (rodent damage) please note all damage upon inspection on the EPOD. For a STI delivery contact the carrier within 48 hours and report all damages. Contact your DSPM for disposition and/or approval of repairs. Otherwise contact the Transportation Claims Help Desk for further instructions on how to proceed.

Toyota -(800) 421-3407 (option #2 – Press 2)

Lexus - (800) 553-9055 (Request transfer to Transportation Claims)

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 6

Section:	Transportation Claims Administration
Policy:	FILING CLAIMS
Policy #:	6.0

TMS may, *at its option*, direct dealers to file claims for any damage occurring in transit against the transportation carrier. If dealers are not directed to do so, dealers may file claims directly with TMS through CPS. TMS will file these claims to the responsible carrier on the dealers' behalf.

Policy

According to ICC regulation, transportation claims must be filed against the delivering carrier within nine (9) months from the date of delivery.

To allow time for processing, investigation, and final resolution of a claim, all claim information must be submitted within six (6) months after the date of vehicle delivery. Transportation claims are time barred if not submitted within 6 months of the delivery date. Claims that are not submitted within 6 months of the delivery date are time barred and will result in the dealer being charged back.

Dealers must use the Claims Processing System (CPS) in Dealer Daily to transmit claims information to TMS. Once received via CPS, the transportation claim is reviewed, and if approved by TMS, a credit is issued to the dealer's parts account within 15 days.

In good faith, TMS will usually pay the dealer for a claim prior to carrier submission. Any claim subsequently denied by the carrier, may be debited against the dealer's parts account following proper investigation. Both debits and credits are shown on the 10206 Warranty Report.

For instruction on filing claims over via Dealer Daily, please refer to the Dealer Daily Warranty Application User Guide.

Note: A transportation claim may not be submitted for payment until all repairs have been completed.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 6

Section:	Transportation Claims Administration
Policy:	WARRANTY VERSUS TRANSPORTATION CLAIMS
Policy #:	6.1

The cost of repairing damage that occurs during transportation should be filed as a transportation claim. Claims for warrantable expenses should **not be** filed as transportation claims but, rather, as warranty claims.

WARRANTY

In general, warranty claims include:

- 1) Repair of improper materials or workmanship.
- 2) Replacement of any incorrect component with the correct component as specified on the vehicle Monroney label.
- 3) Hidden damage found beneath undisturbed Rapguard protective masking.
- 4) Any other damage or defect as pictured under Section 4 or described as follows:
 - Paint runs, sags, drips, peeling, orange peel, and blisters
 - Foreign particles under the clear coat or in the paint
 - Glass stress cracks
 - Loose, bent, broken, or damaged parts or paint caused by improper part installation, alignment, or assembly by the factory
 - Waviness in sheet metal
 - Weld cracks (i.e., not resulting from carrier mishandling)
 - Fluid damage resulting from a defective Toyota component (e.g., battery)

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 6

Policy #6.1

TRANSPORTATION

In **general**, transportation claims include:

- 1) Repair of damage caused by physical impact from carrier mishandling.
- 2) Vandalism or theft damage, as well as loss and shortage as a result of carrier negligence. Transportation loss and shortage would include the following items found missing on delivery:
 - Jack tool kit, wheel covers, radio, antenna, battery, spare tire, keys (including transmitter), cigarette lighter, radio speakers, knobs, stick shift cover, knob, or handle, floor mats, glove box contents (e.g., Owner's Manual), and windshield wipers
 - Items noted on the Monroney Label stored loosely within the vehicle for dealer installation
 - Other missing standard and optional equipment, noted on the vehicle Monroney Label, not resulting from a factory misbuilt condition (e.g., factory misbuilt condition where air conditioning system not installed)
- 3) Missing standard equipment or other items as specified on the vehicle Monroney Label as a result of carrier negligence.
- 4) Any other damage pictured under Section 4 or described as follows:
 - Glass damage other than caused by stress
 - Soiled or dirty interior
 - Undercarriage damage resulting from loading, unloading, or improper tie down
 - Fluid damage caused by another manufacturer's vehicle on carrier trailer
 - Tire or wheel damage

Above all, common sense and good judgment should be used to discern transportation claims from warranty claims.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 6

Section:	Transportation Claims Administration
Policy:	REPAIR CHARGES
Policy #:	6.2

GENERAL

Since the carrier is liable only for repaired transportation damage, it is in the dealer's best interest to begin the necessary repairs as quickly as possible and to process the transportation claim when the repairs are complete.

REPAIR ORDER

A dealer repair order must be prepared for each vehicle when repairs are performed. The dealer repair order must show:

- 1) The hourly labor rate of the repair facility.
- 2) A detailed breakdown of the work performed.
- 3) An itemized breakdown of the metal, paint, R&R, and R&I time for each separate repair operation.
- 4) The part number and quantity of replacement parts.
- 5) A breakdown of repair materials and their costs.

*Transportation damage repairs must **not** be combined with warranty repairs on the same repair order or claim. However, all transportation repairs for a vehicle should be submitted under a single claim. Please note that the original repair order must be retained by the dealer. **Do not include Sales Tax.***

SUBLET WORK

All service work performed by a repair facility other than the dealer's is considered sublet repair work. The dealer must obtain a repair invoice (not an estimate) from the sublet shop which clearly outlines the same information (steps 1-5) noted above for the dealer repair order.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 6

Policy #6.2

Sublet repair charges must not exceed the guidelines outlined under Section 6.2, “Repair Charges.” Dealers are advised to first obtain an estimate of repairs from the sublet facility before repairs commence.

The dealer will be reimbursed for the *actual* cost of the sublet repair. The sublet repair invoice must be retained by the dealer along with any other supporting documentation relating to the transportation claim.

REPAIR CHARGES

It is TMS policy to audit all dealer transportation claims to identify possible dealer input errors or excessive repair charges. ***Do not include Sales Tax.***

Paint Labor

Paint labor times, as well as R&R (i.e., remove and replace) and R&I (i.e., remove and install) times, are audited against guidelines established in the *Mitchell Collision Estimating Guide*. This guide is considered to be the standard in the industry, and its repair estimates are developed using product information provided by TMS.

Metal Labor

Metal labor times are audited using the formula:

Metal Time Allowance = **1 hour X** Length of Dent in Inches*

Length based on severity code notation made by dealer on delivery document
(see Exhibits **4A & 4B**).

Materials

Materials (e.g., sandpaper, tape, paint, primer, etc.) charges are audited using the formula:

Materials Charge Allowance = (Total Paint Labor Time) * (1/2 Labor Rate)

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 6

Policy #6.2

Parts

For both dealer and sublet parts replacement repairs, the **maximum** that will be reimbursed to the dealer is the sum of the dealer cost (i.e., what the dealer would have paid to purchase the part from TMS) and a 45% markup over the cost. This policy applies to all parts, except tires and glass/windshields.

Policy

A dealer's claim may be returned for amendment if repair charges exceed any of the guidelines outlined under Section 6.2.

NON-PAYABLE REPAIRS (COMMERCIALLY ACCEPTABLE)

Some vehicle damage is so minor that it may require only a slight touch-up or polishing out, or no repair at all, to bring the vehicle up to new car status. This type of damage is typically referred to in the industry as a WPO (i.e., will polish out) or a BTU (i.e., brush touch up).

Policy

WPOs and BTUs are considered commercially acceptable, non-payable damages and will not be considered for payment on a transportation claim.

DEAD BATTERIES

Policy

If the battery condition was caused by the carrier incorrectly jumpstarting a dead battery on a vehicle, it should be filed as a transportation claim. If the carrier didn't damage the battery and the vehicle refuses to start a claim can be submitted as Warranty under the following conditions:

Per Warranty policy 4.10: Discharged batteries on in-stock vehicles where the cause of the discharge is due to lack of maintenance are not warranted. Maintaining the state-of-charge on in-stock vehicles is the dealer's and cannot be claimed under warranty.

Claims will only be accepted for in-stock battery replacements within 7 days of delivery of the vehicle to the dealer. The dealer will be required to provide a copy of the vehicle delivery receipt during claim submission.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 6

Section:	Transportation Claims Administration
Policy:	SUPPORTING DOCUMENTATION
Policy #:	6.3

After submitting a claim via CPS, the dealer must send a Supporting Documentation to toyotadocuments@tmclaimsservice.com (Subject VIN#12345678910121314) The supporting documentation relating to a claim that should include:

- 1) The dealer copy of the delivery document noting all damages and shortages.
- 2) The original Repair Order and/or Sublet Repair Order documenting the hourly labor rate and an itemized breakdown of the paint, metal, and R&R/R&I time. If DSPM authorization is required, the authorization number and date should be noted on the repair order.
- 3) A copy of the Concealed Damage Letter or Email with **time stamp**, if applicable.
- 4) A copy of the Delayed Inspection Letter or Email with **time stamp**, if applicable.
- 5) Photographs or other supporting documentation; photographs should be clear and show the damage area
- 6) A copy of the Certified Mail Receipt, if applicable.
- 7) Only submit one VIN per Email
- 8) Total size of attachments cannot exceed 20MB
- 9) File format: PDF, JPEG, DOC, DOCX, XLS, XLS6

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 6

10) The body of your email should include your dealer code, VIN#, claim number, contact person's name, phone number and email


11) **“Subject” line** of the email heading should only include **VIN#** followed by the full VIN, with no space in between **Example: VIN#12345678901234567**

Policy

The dealer must retain copies of all supporting documentation relating to a claim for a period of five years from the date of vehicle delivery. Dealers are instructed to email copies of their supporting documentation to:

toyotadocuments@tmclaimsservice.com

Sample Claims Document Email:

 Send	To...	toyotadocuments@tmclaimsservice.com
	Cc...	
	Bcc...	
Subject		VIN#2T3N1RFV6KC025026

●● PROTECTED 関係者外秘

Please find attached the following documents attached: Carrier Delivery Receipt, Photos (PDF), Repair Order, Letter of Notification

Dealer Code: 69999
CPS Claim #: 012312
Contact Name: Eric Wenner
Phone: (469) 292-1267
Email: eric.wenner@toyota.com

*Note: limit file size to 20MB. Ensure that the subject line is formatted as shown. The Subject line should only include **VIN#** and the vehicle identification number with no spaces in between.*

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 6

Section:	Transportation Claims Administration
Policy:	DSPM AUTHORIZATION
Policy #:	6.4

Policy

DSPM authorization **is** required on all of the following claims:

- 1) Damages that fall into the Critical Damage category outlined under Section 5.0. *These units should not be repaired or retailed.
- 2) Damage repairs that exceed \$1,000 for Toyota or \$1,500 for Lexus.
- 3) Repairs for damage caused by airborne contamination (e.g. acid rain, rail dust, etc.), hail, wind storm, fire, or water.
- 4) Damages that affect a vehicle safety item.
- 5) Repairs for damage caused by fluid spillage.
- 6) Repairs for hidden damage found beneath undisturbed Rapguard.
- 7) Missing Owner's manual or SD card
- 8) Mirror covers or fuel door that have come off during transit, with no sign of impact

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 6

Section:	Transportation Claims Administration
Policy:	CLAIM APPEALS
Policy #:	6.5

CLAIM APPEALS

If the dealer perceives that a transportation claim has been unsatisfactorily resolved by TMS, the dealer's recourse would include the following steps:

- 1) Appeal the claim in writing to the TLS Transportation Claims Department
The appeal should contain all necessary backup documentation and sent to the mailing address noted under Section 1.1.
- 2) The dealer may also contact TMS by telephone to discuss the claim by dialing (800) 421-3407 Option #2 (press 2) as noted under Section 1.2.

If the dealer still perceives that a transportation claim has been unsatisfactorily resolved by TMS, the dealer may:

- 1) Discuss the claim with the DSPM.
- 2) Appeal the claim in writing directly to the claims department of the delivering carrier. The carrier is obligated to make an investigation and is required to pay the claim in full, decline it, or make a compromise offer of settlement.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 7

Section:Repair Disclosure

Policy:NOTIFICATION OF REPAIR

Policy #:7.0

In the event that certain repairs are performed on a new vehicle prior to delivery, TMS will notify the dealer of the repair details.

NOTICE AT DELIVERY

If a vehicle has been repaired prior to dealer delivery, details of the repair will be printed on the bottom of the Memorandum Invoice (see below). The repair notification will consist of a five digit code and the cost of the repair (excluding replacement parts cost):

***Dealer's advertising		TOTAL F.I.E.>		
assessment is established		TOTAL MODEL		
		AND F.I.E.>		
		OTHER		
		CHARGES>		
		DESTINATION		
		CHARGE>		
		SUBTOTAL>		
		TDA>		
		TOTAL INVOICE>		

In this example, the first damage repair notice is 04053 0201. Repair code 04053 means a repair was made to the rear bumper that was chipped with a length of up to 6". The cost of the repair was \$201.

A description of the codes printed on the Memorandum Invoice can be found on the delivery document and in Section 4 of this manual.

Dealers are advised to consult their own legal counsel for guidance regarding legal requirements within their state for disclosure of the prior repairs, including dealer repairs, to the vehicle purchaser. In addition, dealers are advised to furnish all damage disclosure information relating to traded vehicles to the purchasing dealer.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 7

Section:	Repair Disclosure
Policy:	REPAIR THRESHOLD
Policy #:	7.1

Policy

Where the cost of vehicle damage repairs exceeds a certain dollar threshold, the vehicle will not be shipped to your dealership, and a replacement vehicle will be allocated by your Regional/Area Office. This threshold will vary for each vehicle and is determined as follows:

TOYOTA

1.) \$1,000

Or

2.) 5% of MSRP* (including accessories), up to \$1,500 whichever is higher.

**Note: Manufacturer Suggested Retail Price*

Example 1: If 5% of MSRP on a Yaris is \$800, then the vehicle will not be delivered to your dealership when the cost of repairs exceeds the minimum \$1,000 threshold.

Example 2: If 5% of MSRP on a Landcruiser is \$4,500, then the vehicle will **not be** delivered to your dealership **when the cost of** repairs exceeds the maximum \$1,500 threshold.

Example 3: If 5% of MSRP on a Camry is \$1,600, then the vehicle will not be delivered to your dealership when the cost of repairs exceeds \$1,500 (5% of MSRP).

LEXUS

Cost of vehicle damage repairs exceeds **\$1,500**

If transportation damage is found on delivery, the Region/Area DSPM must be contacted immediately to arrange an inspection for Critical Damage (See section 5.0). Under no circumstances is the dealer to repair or sell a critically damaged vehicle.

TRANSPORTATION CLAIMS POLICIES & PROCEDURES

Section 7

TOYOTA MOTOR DISTRIBUTORS

**MEMORANDUM
INVOICE**

INVOICE NO:
INVOICE DATE:
PORT/ PLANT:
DEALER CODE:

PAID FOR BY:

SOLD TO:

MODEL	DESCRIPTION	YEAR	SERIAL NO.	C/C	ENGINE NO.		MSRP	DEALER INVOICE
7103A	4X2 REGULAR CAB	1996	4TANL42N07Z181612	0	2RZ1054200			
COLOR EXT/ INT 751 EVERGREEN PEARL/ FA44 OAK						BASE VEHICLE PRICE>		
FACTORY INSTALLED EQUIPMENT RE - 48 STATE EMISSIONS REQUIREMENT CK - ALL WEATHER GUARD EQUIP. PKG TW - TILT STEERING WHEEL INCLUDES VARIABLE INTERMITTENT WIPERS -- POWER STEERING - PAINTED REAR BUMPER -- AM/FM ETR RADIO - CARPET FLOOR MATS PX - METALLIC PAINT EXTRA VALUE PKG. MSRP DISCOUNT STANDARD EQUIPMENT * 2.4L 4CYL DOHC EFI ENG * 5-SPEED MANUAL OVERDRIVE TRANS * COIL SPRING DOUBLE WISHBONE * INDEPENDENT FRONT SUSPENSION * FRONT STABILIZER BAR * RACK AND PINION STEERING * POWER-ASSISTED VENTED FRONT * DISC BRAKES W/ REAR DRUMS * P195/75R14 RADIAL TIRES (5) * DRIVER-SIDE AIR BAGS (SRSS) * SIDE-DOOR IMPACT BEAMS * CENTER HIGH-MOUNT STOP LAMP * DOUBLE WALL CARGO BED * CARGO BED TIE-DOWN HOOKS * ARGENT GRILLE						* HALOGEN HEADLAMPS * DUAL OUTSIDE MIRRORS * FULL WHEEL COVERS * LOCKING FUEL DOOR * CLOTH FACED TILT FORWARD BENCH SEAT W/ INTEGRATED HEADRESTS * FULL-DOOR TRIM W/ CLOTH INSERT * DUAL ARMRESTS/ DOOR POCKETS * CUT-PILE CARPETING * ADJ FRNT SHOULDER BELT ANCHORS * MIST CYCLE WINDSHIELD WIPERS * DUAL SUNVISORS/ CUPHOLDER * DAY/ NIGHT REARVIEW MIRROR * COOLANT TEMPERATURE GAUGE * HEADLAMP-ON WARNING BUZZER * DRIVER SIDE FOOTREST *PASSENGER-SIDE ASSIST GRIP		
THIS GASOLINE CHARGES INCLUDES ALL APPLICABLE MOTOR FUEL AND SALES TAXES. 						TOTAL F.I.E.> TOTAL MODEL AND F.I.E.> OTHER CHARGES> GASOLINE> DESTINATION CHARGE> SUBTOTAL> TDA>		
THIS INVOICE DOES NOT REFLECT THE ULTIMATE VEHICLE COST IN VIEW OF THE HOLDBACK AND WHOLESALE FINANCIAL RESERVE AND ANY REBATES, ALLOWANCES AND INCENTIVES, WHICH ARE PAID TO THE RETAILER TITLE AND OWNERSHIP PASSES TO THE DEALER UPON PAYMENT OF SAID GOODS AND ALL RISK OF LOSS OR DAMAGE PASSES TO THE DEALER UPON DELIVERY OF GOODS TO DEALER						DEALER HOLDBACK> WHSL FINANCIAL RES.> TOTAL INVOICE>		

•• PROTECTED 関係者外秘