



JIF Preferred Repair Facility Guidelines

INTRODUCTION

The Joint Insurance Fund (Fund) provides vehicle physical damage coverage for municipal vehicles damaged by a covered loss and has contracted with Qual-Lynx (Claims Administrator) to provide claims adjustment services to member municipalities. Because these claims are paid with taxpayer dollars, the Fund has a financial responsibility to the taxpayers of member municipalities to ensure consistent application of best practices for vehicle repair facilities. Due to differences in methods of repair and labor rates seen between member-chosen repair facilities, it has become necessary to establish Vehicle Repair Facility Guidelines in an effort to ensure uniformity and fiscal responsibility. These Guidelines are intended to assure that the vehicles are repaired in accordance with industry standards and the Fund is paying exactly what is owed for the repairs of an insured vehicle damaged from a covered loss; not a dollar more and not a dollar less.

If the member chooses a repair facility that meets the Guidelines herein, the standard \$1,000 deductible will apply. If a repair facility chosen by the member does not meet these Guidelines, the deductible will be increased to \$2,500. The determination as to whether the repair facility has met program Guidelines is made by the Claims Administrator with assistance, if necessary, from their approved Independent Damage Appraiser, the Fund Administrator, and Fund Solicitor.

GOALS

To establish guidelines and procedures for a vehicle repair facility chosen by the member:

- To ensure that all repairs are completed promptly;
- According to manufacturer recommendations;
- To its pre-accident safety level condition;
- In accordance with the “agreed price” for preliminary repairs completed by the approved Independent Damage Appraiser

BENEFITS

- Continued stewardship of taxpayer dollars.
- Enhanced service to members by the repair facility.
- Choice of shop remains with the member municipality.
- Completion of all repairs so that manufacturer warranties will not be voided.
- Shop is promptly paid directly by Claims Administrator less deductible when Guidelines are met.



PROGRAM OVERSIGHT

The Fund's Claims Administrator and/or their representative will be responsible to ensure adherence to the Guidelines set forth in this document by the member's shop of choice. The Claims Administrator will enlist the help of their approved Independent Damage Appraiser as well as the Fund Administrator and Fund Solicitor if necessary.

IMPLEMENTATION

For the member to receive the standard deductible, the repair facility they choose must agree to adhere to the Guidelines set forth herein. A copy of the Guidelines will be provided to each repair facility chosen by a member municipality asking them to indicate intent to adhere to the Guidelines. Any new versions of these Guidelines will be provided to the repair facilities upon adoption.

QUALIFICATIONS

In order to be considered compliant with the program, repair facilities must:

- Provide free vehicle pick-up and delivery.
- Agree to fair and reasonable labor rates based on region.
- Provide proof of I-CAR or Assured Performance certification. In the alternative, the repair facility must provide proof of *Direct Repair Shop* status for 3 or more major insurance companies.
- Provide New Jersey State Auto Body Repair License.
- Provide evidence that the repair facility is capable of performing repairs per manufacturer repair procedures, i.e. aluminum body repair certification, etc.
- Maintain Heavy Duty Vehicle Endorsement when repairing vehicles above 14,000 lbs. GVWR.
- Provide a current Certificate of Insurance for Commercial/Garage Liability at \$1,000,000 limits and Garage Keeper's Legal Liability in an amount equal to the value of vehicles being repaired but in no case less than \$100,000, naming the municipal vehicle owner as *Additional Insured*.

REQUIREMENTS

Repair facilities must agree to the following:

- Allow the Independent Damage Appraiser into repair facility to inspect damages.
- Prepare estimate within 3 business days after the arrival of vehicle and promptly forward copies to the municipality or directly to the Claims Administrator.
- Complete all estimates utilizing an approved vehicle damage estimating program such as CCC, Audatex or Mitchell.
- Not charge for storage fees on vehicles being held for repairs.
- Not charge storage fees on totaled vehicles held by the repair facility for more than 10 business days after arrival of vehicle at repair facility.



REQUIREMENTS (continued)

- Notify the Claims Administrator as soon as a vehicle is determined to be a total loss in order for the vehicle to be moved to a salvage yard. The Claims Administrator will direct the Independent Damage Appraiser to complete an itemized appraisal to verify that the vehicle is a total loss.
- Guarantee all completed repair work per Limited Repair Shop Warranty.
- Complete supplemental estimates as soon as additional damage or part price increases are known and the Independent Damage Appraiser should be notified the same day. No supplements will be honored without prior notification to the Independent Damage Appraiser with invoices and parts available through photo or inspection.

NOTE: The Fund reserves the right to re-inspect at any time to ensure compliance with the program and repair quality.

Best Practices for Shops

Not all municipal vehicles require cosmetic repairs to the point of perfection. Repair facilities are instructed to limit cosmetic repairs wherever possible allowing for minor dents, scratches, scuffs. Paint blending of adjacent panels will only be considered on metallic colors. Billing for repairs that are strictly cosmetic in nature will be denied subject to the Independent Damage Appraiser decision as approved by the member municipality. In addition, repair facilities will be guided by the following:

- Photographs must be clear with optimum angles to properly portray the damages. They must be labeled LF, RF, RR, LR, POI and prior damage. Pictures of the 4 vehicle corners, license plate and odometer must be provided. Along with those identifiers, pictures of all damages, any malfunction indicator lamps, and any sublet repair invoice including towing and storage must be provided.
- All Repair/replace decisions must be made following the OEM's policies and procedures. Items may appear to be repairable but are not for various reasons. Repairing a part that is not intended to be repaired can have serious consequences. Consideration should also be given to plastic repair for bumpers, fascia, and other plastic parts.
- Utilize Original Equipment Manufacturer (OEM) replacement parts on current model year vehicles that have less than 15,000 miles. Like, Kind & Quality (LKQ) parts are to be utilized, when available, for non-safety related parts on vehicles with more than 15,000 miles or older than the current model year.
- Attempts to locate LKQ parts must be documented or it will be assumed no search for LKQ parts took place. Documenting the search for LKQ parts must include who called for the parts and the yard's name and contact information. Sources for locating LKQ parts and prices can include calls to salvage parts yards, applications in data bases and internet websites.
- LKQ parts are **not to be used** for the following: suspension components, brake components, safety restraint system components, airbag components, modules or sensors, or safety belts.



Best Practices for Shops (continued)

- In order to be paid for diagnostic scanning, it must be recommended by the OEM. It will require an invoice if it was a sublet and a picture of the invoice documenting what the Diagnostic Trouble Code (DTC) was on the vehicle. If a shop does the scan themselves, a photo is required of the scanner attached to the data link and the picture should show the DTC and the odometer at the same time.
- Many LKQ parts are purchased as assemblies, which include other items such as moldings on sheet metal, glass and interior trim, moldings, hinges, locks, etc. along with condensers, radiators and coolant recovery tanks with front unibody structures.
- The following list includes, but is not limited to examples of LKQ parts that are acceptable: sheet metal, glass, bumpers, doors, deck lids and tailgates, wheels and wheel covers, lamps, seats, instruments panels and other interior components and trim, radios, and moldings.
- When these types of attached components are normally included, they should not be added to the estimate unless it is certain that they are not included with the LKQ part. Aftermarket parts are considered on all except current model year vehicles. Any deviation from utilizing these parts must be documented accordingly. Examples of these parts include but are not limited to bumper covers (CAPA), AC condensers, head lamps (CAPA), radiators, glass, grills, tail lamp, wheel, wheel covers, side lamps.
- FUND will direct municipality to purchase parts, vinyl, lettering, and up-fit equipment at State Contract pricing.
- Member Municipalities have been instructed to bring their vehicles directly to their equipment installation and/or graphics shop. Repair Facilities are not authorized to bill for this work.
- Uni-structure and frame repair times are to be based upon the number of estimated hours and at the applicable frame rate with set up and realignment identified separately. Do not estimate as a lump sum amount. The frame condition must be identified. (sag, sway, diamond, mash, etc.)
- The shop must consider the re-use of emblems and badges that are not damaged. Some are expensive and can be re-used.
- Labor rates will be adjusted as necessary to reflect current industry standards or specialized repair procedures i.e. aluminum.

DETERMINATION OF COMPLIANCE

Should a repair not be completed in accordance with these Guidelines or the repair estimate, without the Independent Damage Appraiser's or Claims Administrator's prior authorization, the repair facility shall be deemed Non-Compliant with the Guidelines for that repair and a \$2,500 deductible will be applied to that claim. The member will be informed of this decision.

The determination as to whether the repair facility has met Program Guidelines is made by the Claims Administrator with assistance, if necessary, from their approved Independent Damage Appraiser, the Fund Administrator, and Fund Solicitor. A member municipality shall have the opportunity to appeal this decision to the Fund's Claims Review Committee or in the absence of a Claims Review Committee the Coverage Committee of the Fund.



REPAIR FACILITY AGREEMENT

The undersigned Repair Facility hereby acknowledges that it has reviewed and fully understands the Guidelines attached hereto. The Repair Facility hereby agrees that it shall comply, in all respects, with the attached Guidelines. It is understood by the Repair Facility that any deviation from the attached Guidelines shall result in an increased deductible for the Member Municipality and may result in the Repair Facility not being consider a “Preferred Facility” by the JIF. If any questions arise with regard to the repair of a particular vehicle, the Repair Facility is encouraged to immediately direct those questions, prior to performing the repairs, to the Claims Adjuster or the Independent Damage Appraiser assigned by Qual-Lynx.

Repair Facility Name:

Repair Facility Owner:

Signature/Name and Title:

Date: _____

CONTACTS:

Claims Administrator

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