



# NISSAN

## Goodwill Empowerment Phase II

Reference: WBP/16-015

Date: August 1, 2016

**Attention:** Dealer Principals, Executive Managers, Service Managers, Service Advisors, and Claims Administrators

### REVISED:

**This claims bulletin replaces the previous version, WBP16-009. Please discard the previous version.**

As the goal of providing goodwill to a customer is to build brand loyalty and encourage repeat sales, NNA is pleased to further expand dealer empowerment when making each case-by-case goodwill decision.

Specific to the current NNA guideline of suggested factors that should be considered before offering goodwill to a customer, new emphasis is placed on customers who support our mutually beneficial off-lease and CPO business by purchasing a used Nissan vehicle. The used Nissan vehicle buyer is not someone who should be ignored; they can be a vital entry point to the Nissan brand and your dealership business model.

Other potential factors that should be considered before offering goodwill to a customer are (but are not limited to):

- Service history during ownership
- Time and Mileage out of warranty
- Existence of non-NNA Service Contracts
- Maintenance or wear and tear item
- Multiple repairs required
- Travelers or in-transit customers
- Individual customer vs. Business
- Branded title
- Goodwill history
- Purchased multiple Nissan vehicles

Effective August 1, 2016, Nissan will launch Goodwill Dealer Empowerment Phase II. In addition to the inclusion of used Nissan vehicle buyers, there are four additional components to Phase II:

- Dealer Self Authorization (DSA) limits for goodwill repairs will increase from \$800 to \$1000
- Service managers, service advisors and warranty administrators of each dealership must complete "Nissan Effective Goodwill 2016", an updated course in Nissan Virtual Academy, prior to October 1, 2016 to maintain their DSA level at \$1000. Otherwise, the goodwill DSA will revert back to \$800. *Note: Goodwill training course(s) taken previously will not qualify; the updated course must be taken. This training requirement will be required yearly and all new dealership staff in these positions during the year are required to take the training within 90 days of their start date.*
- Goodwill repair reimbursement for genuine Nissan remanufactured engines and transmissions will be modified to your dealerships' standard warranty parts markup rate. The exchange allowance of \$55 will no longer be applicable. The new rate will apply to goodwill claims with a work order open date on or after August 1, 2016.
- Goodwill Dealer and/or Customer contribution guidelines based on the time and miles from expiration of the vehicle limited warranty that applies to the repair have been expanded based on the chart information below.



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		Years / Days Out-Of-Warranty					
Mileage Out-Of-Warranty		1st year		2nd year	3rd year	4th year	5th year
	0	0	1 - 365	366 - 730	731 - 1095	1096 - 1460	1461 - 1825
	1 - 12,000	\$0 DI/CP 54% of claim volume*					
	12,001 - 24,000	10% DI/CP 16% of claim volume*					
	24,001 - 40,000	20% DI/CP 13% of claim volume*					
40,001 - 60,000	Requires FOM Approval 11% of claim volume*						

\* Represents 2015 claim volume

Vehicles beyond 12 months or 12,000 miles from expiration of the vehicle limited warranty that applies to the repair will require a minimum participation from the dealer and/or customer as outlined in the Goodwill Dealer and/or Customer Contribution Guideline Grid above. Claims greater than 60,000 miles or 5 years from expiration of the vehicle limited warranty are not considered goodwill candidates.

The pre-call Goodwill Worksheet is no longer required.



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### **Goodwill Application Process Summary**

- Below DSA and beyond 12 months or 12,000 miles from expiration of the vehicle limited warranty: Refer to grid for DI and/or CP portion; no VCAN necessary.
- Below DSA and dealer determines DI and/or CP portion is inappropriate: Contact FOM for approval consideration to waive the participation amount required; FOM to create VCAN.
- Greater than DSA and beyond 12 months or 12,000 miles from expiration of the vehicle limited warranty: Contact Warranty Call Center to begin VCAN approval process prior to contacting FOM.
- Greater than DSA and less than 12 months or 12,000 miles from expiration of the vehicle limited warranty: Contact FOM for over DSA approval consideration; FOM to create VCAN.
- Greater than DSA and dealer determines DI and/or CP portion is inappropriate: Contact FOM for approval consideration to waive the participation amount; FOM to create VCAN.
- Greater than 40,000 miles or 3 years out of applicable vehicle limited warranty that applies to the repair: Contact FOM for approval; FOM to create VCAN.

The DI and/or CP participation amount should continue to be applied to the claim by using the split claim function.

#### Split claims processing for a single work order line.

On the claim line within the claim area of parts, labor and/or expense, indicate the split for each area by determining:

- The factory goodwill (FG) amount
- The customer pay (CP) amount
- The dealer internal (DI) amount

If the minimum participation amount is not applied to the claim and there is no preauthorized VCAN from the FOM, an automated adjustment to the appropriate minimum participation percent will be made to the claim. Contact your FOM in advance of the repair for a VCAN approval to waive the participation amount in those rare circumstances where the participation is determined to be inappropriate.

For dealers currently in the ARC program, goodwill DSA levels will be reduced to \$400 during step 3, Targeted Verification, and reduced to \$0 during step 4, while an inspector is on site. Once Warranty DCAL rates are increased after the inspection period, the goodwill levels will also be increased until they are returned to \$800.

Nissan reserves the right to adjust its guidelines regarding goodwill at any time. Nissan also reserves the right to modify DCAL and DSA amounts, on a dealer-by-dealer basis, for any reason, at any time.

Questions may be directed to the Nissan Warranty Claims Call Center at 1-800-258-7008, option 7.

WARRANTY DEPARTMENT