235/60-16



# Certified Pre-Owned BMW Vehicle Program

Retailer Operations Manual



**Certified Pre-Owned** 

# Terms of Arotection Plan

#### 1.1 Terms

The Certified Pre-Owned BMW Protection Plan provides protection for 2 years or 50,000 miles, whichever occurs first. This coverage is in addition to whatever time or mileage may be remaining on the original New Vehicle Limited Warranty (which lasts for 4 years or 50,000 miles, whichever occurs first, from the original in-service date of the vehicle). The Protection Plan takes effect immediately at the end of the New Vehicle Limited Warranty.

### 1.1.1. Transferability

The Protection Plan is fully transferable (without charge) from the original pre-owned vehicle purchaser or lessee to each subsequent owner or lessee up to the expiration of the Plan. Please advise any subsequent owners of a covered vehicle to use the owner/ address change cards contained in the Protection Plan Consumer Information Statement to notify BMW NA of any ownership or address changes.

#### 1.1.2. Cancellations and Refunds

The Plan is non-cancelable by any party once the plan is activated and delivered to a retail customer. However, coverage will automatically be terminated if the vehicle is:

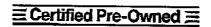
- a) Reported as stolen.
- Determined to be a total loss by a qualified entity or person. b)
- Suffers significant damage as a result of collision or water infiltration.

A vehicle which has been stolen and recovered that has been re-inspected and found to be mechanically sound will be considered for reinstatement of coverage on a case-by-case basis.

#### 2. **Protection Plan Coverage**

# 2.1. Type of Coverage

The Protection Plan is best explained as a "Stated Component" type of coverage. It is important that this information is clearly explained to customers. Coverage is limited to specific parts and components. The plan is designed to protect BMW



2.2. Substitute Transportation (Rental

Reimbursement for providing substitute transportation (rental car) is not covered under the Protection Plan. The BMW Loaner Car Program eliminates the need to address the cost of substitute transportation under the Program. BMW Roadside Assistance has rental guidelines as part of the trip interruption benefits. Review the provisions in the Certified Pre-Owned BMW Consumer Information Statement for details.

### 2.3. Handling Charge

There is a **\$50.00 handling charge per repair visit** that must be satisfied by the customer. The \$50.00 Handling Charge is not eligible for consideration under Goodwill/Retailer Self Authorization (Retailer Administered Customer Assistance Program).

# 3. RETAILER REIMBURSEMENT

- 3.1. Claim Submission, Coding and Processing (Protection Plan)
  Claim submission is identical to claim submission under the New Vehicle Limited Warranty with one exception a special Vendor Code (UC) must be added to the end of the Defect Code utilized. Only applicable Defect Codes (reflecting parts or components covered under the Program) will be recognized and accepted by the claims processing system. A list of covered components and their dedicated defect codes is contained in this manual. Defects not eligible for coverage will be automatically rejected.
  - 3.1.1. This defect code list is only to be used for the submission of claims eligible for coverage under the Certified Pre-Owned BMW Vehicle Program Protection Plan. This defect code list is not to be used for the submission of claims covered under the BMW New Vehicle Limited Warranty.
  - 3.1.2. Unlike most programs, claims will not require prior approval from BMW NA. We ask for your assistance in controlling costs related to the Program, especially with regard to unnecessary repairs.



Any claims involving add-on repairs found to have been submitted or paid without prior Service Management review and authorization will be rejected or debited.

Because BMW NA is processing Protection Plan claims through the existing warranty system, the fundamental claim submission guidelines, review processes, parts retention requirements, part return functions, reporting systems (Dealer Composite, etc.) and Field Warranty Reviews/Dealer Audit procedures that apply to claims submitted under the New Vehicle Limited Warranty also apply to claims submitted under the Protection Plan. Please refer to your Warranty Policies and Procedures Manual as an additional reference on these issues.

# 3.2. Wear and Tear

The Protection Plan is designed to protect BMW owners from the expense of repairs associated with the unanticipated or unexpected failure of a covered part and/or component as a result of a defect in material or workmanship only. However, there are components or parts on any vehicle that are subject to gradual deterioration or wear as the result of driving habits, conditions, or use of the vehicle. Therefore, coverage for items such as (but not limited to) piston rings, valves and valve guides, suspension bushings, ball joints, tie rod ends, driveshaft flex discs (guibo joint) and other parts and/or components covered by the Plan are limited to defects in material or workmanship only.

Coverage is for defects in material or workmanship only. Normal wear and tear is the responsibility of the vehicle owner, and is clearly explained in the Consumer Information Statement as well.

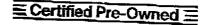
Please keep this information in mind when making a repair decision or advising a customer as to coverage.

# 3.3. Vehicle Modifications

For the retailer's information, BMW NA is providing this excerpt from the Consumer Information Statement to reiterate its position on this issue:

"Any modifications or alterations that change the vehicle from its original design specifications, such as (but not limited to) suspension modifications, performance modifications, etc., may result in the denial of a claim for a covered part or component that may have been affected by such modifications."

Please take this into consideration when making a repair decision.



# What is Covered (Covered Components) (Excerpt from the Consumer Information Statement).

The following is subject to all Terms, Conditions, and Exclusions of this Protection Plan. If a part is not listed, it is not covered under this plan.

#### Note

BMW NA has enhanced the Protection Plan to include coverage for defects in material or workmanship for seals and gaskets (in covered component areas). This enhancement is retroactive for existing owners of Certified Pre-Owned BMWs.

#### Engine

Cylinder head(s), cylinder block, and cylinder head gasket(s); all internally lubricated parts including pistons, piston rings and pins; crankshaft, end cover on crankcase; radial sealing rings; main and connecting rod bearings; connecting rods; camshaft and bearings: timing chains and/or belts; sprockets; rocker arms and shafts; valves, valve springs, upper spring plates (retainers); valve collets, guides, seats, and valve stem seals; hydraulic valve clearance compensators (lifters); oil pump assembly; dipstick assembly; vibration damper; flywheel/ring gear; upper and lower timing case covers and gaskets; intake manifold and gasket; exhaust manifold(s) and gasket(s); engine mounts; valve cover(s) and gasket(s); oil pan(s) and gasket(s); front and rear radial oil seals; top cover plate (V engines).

#### **Automatic/ Standard Transmission**

Transmission case, torque converter, all internally lubricated parts contained within the transmission case including all sprockets, shafts, bearings, bushings, drums. pumps and valves; transmission oil seals and gaskets; transmission mount; flywheel; drive plate for torque converter. Coverage is not afforded for standard transmission clutch assemblies, which are subject to wear and tear.

#### Final Drive Assembly. Propeller Shaft(s)

Final drive housing; all internally lubricated parts contained within the final drive housing including all sprockets, bearings and output shafts; input and output flange seals and gaskets; rear housing cover gasket; CV joints and flexible gaiters (CV joint , boots); universal joints; front and rear hub assembly; hub bearings; propeller shafts.



#### Front Suspension

Control arms, thrust struts, and bushings; ball joints; wheel bearings; coil springs; stabilizer bar, links and bushings; McPherson struts (housings only); height control valve.

#### Rear Suspension

Control arms, trailing arms, and lateral links; shafts and bushings; wheel bearings; coil springs; hydraulic leveling system; height sensor; pump; stabilizer bar, supports and bushings; McPherson struts (housing only); strut housing (self-leveling only); height control valve.

#### Steering

Steering box housing; all internally lubricated parts within the steering box (including seals); rack and pinion assembly; power steering pump (including tandem pump); steering shaft and couplings; guide/idler arm; tie rod ends; pitman arm; center tie rod; cooler and lines.

#### **Brakes**

Master cylinder (including seals); brake booster assembly; wheel cylinders; brake calipers (including seals); hydraulic lines and fittings; brake pedal assembly; parking brake assembly; cap with warning switch.

## ABS Brake System

Hydraulic pump assembly (including seals); ABS control module; wheel speed sensors; relays; ASC+T hydraulic unit.

#### Electrical

Alternator/generator; voltage regulator; starter motor, starter solenoid; windshield wiper motor; rear window wiper motor/power window motors, power seat drives; convertible top storage lid and top drive motors; manually and electrically operated switches, front and rear main wiring harnesses; on-board computer; engine control module; power door and central locking systems; remote electronic entrance system; cruise control switch, actuator and control module; sunroof motor and gear; turn signal/headlight dimmer switch; electronic mirror motors and switches; windshield wiper delay switch; horn contacts, brush, contact ring assembly and horns; rear window defogger; all gauges; instrument and service indicator circuit boards; LCD display modules and coding plugs; control modules.



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Air Conditioning/ Heating System

Condenser; compressor; evaporator; receiver-drier; idler pulley/belt tensioner; compressor clutch and pulley; heating and A/C control panel and control module; expansion valve; stepper motors; auxiliary water pump; heater and air conditioner blower motor; heater control valve.

## Cooling System

Water pump; radiator; fan clutch and fan surround; idler pulley/belt tensioner; coolant recovery tank; additional fan motor.

# Fuel System

Fuel injectors; fuel pumps; metal and plastic lines and fittings; fuel tank; fuel injection and air flow sensors.

### Interior and Exterior

Front seat tracks/rails; shift lever; trunk and hood gas pressure struts; bumper impact struts.