

# LYNX Collision Repair Network

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## General Requirements & Procedures

LYNX Services, L.L.C. (“LYNX”) provides auto physical damage claims services for insurance companies through a network of collision repair facilities (LYNX Collision Repair Network). These services include a managed repair program – LYNXSelect®, and a repair referral program – LYNXAdvantage™. These programs are designed to provide convenient services for insurers and their Customers. The mission of both the LYNXSelect® and LYNXAdvantage™ programs is to provide exceptional Customer service, high quality repairs, increased Customer satisfaction and improved claim-handling efficiencies through a business relationship with participating quality repair facilities (“Participant Repair Facility”).

The Participant Repair Facility in the LYNX Collision Repair Network agrees to follow the procedures outlined in this document including Appendix A - Participant Program Guide. Appendix A provides a comparison of requirements and procedures of the LYNXSelect® and LYNXAdvantage™ programs.

## General Requirements for Participant Repair Facility

Participant Repair Facility agrees to meet or exceed the following Program standards.

### A. Customer Services

1. Provide normal and customary business hours (Monday through Friday, 8:00 a.m. to 5:00 p.m.) and a Customer parking area.
2. Offer additional services to Customers expressing special requirements such as pick-up and delivery services, rental car, scheduling or towing.
3. Provide a clean waiting area and on-site Customer reception during normal business hours, with clean accessible restrooms.
4. Provide the Customer with a lifetime warranty on repair workmanship and refinish.
5. Track repair cycle time (assignment received, initial estimate, repair start date, and delivery date) and keep the Customer informed about repair progress by telephone or other means requested by the Customer.
6. Meet or exceed a minimal level of “Very Satisfied” Customers, as measured by recognized industry CSI providers.

### B. Repair Facility Equipment and Technical Services

1. Participant Repair Facility is required to have basic Unibody and Frame diagnostic equipment for dimension verification.
2. Participant Repair Facility agrees to have and use trained technicians, equipment, and procedures that are capable of restoring vehicle dimensions to OEM specifications.
3. Participant Repair Facility agrees to have and maintain at least one MIG welder capable of producing 110 and 220 MIG welds. The technicians shall be capable of reproducing factory welds following I-CAR and industry standards, and will use weld-through primers and corrosion protection.
4. Participant Repair Facility shall be capable of providing (either in-house or sublet) mechanical services for suspension, wheel alignment, engine and transmission, electrical, air bag, and air conditioning.
5. Participant Repair Facility is required to have a pressurized paint booth; a paint mixing system capable of matching OEM finishes in texture and color, and paint curing capability.
6. Participant Repair Facility agrees to use only those adhesives that have been certified for a particular use, and shall comply with all recommended installation practices set forth by the certifying manufacturer when installing glass and bonded panels.

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## C. Personnel Training

1. Participant Repair Facility agrees to provide continuing education opportunities for their employees such as I-CAR training, ASE certification, or equivalent training.
2. Participant Repair Facility agrees to document continuing education for their employees.

## D. Additional Repair Program Requirements

1. Participant Repair Facility agrees to maintain an individual repair facility folder for each Customer that contains all documentation pertaining to the vehicle repair, including the estimate, supplements, photographs, repair cycle documentation, invoices, signed direction to pay, and required service information documentation. Participant Repair Facility agrees to provide LYNX representatives with access to this documentation as well as any vehicle referred by LYNX through these Programs.
2. Participant Repair Facility agrees not to use the business names LYNX, LYNX Services, LYNXSelect®, LYNXAdvantage™, the names of LYNX's insurance customers or related trademarks for any purpose without the express written approval of all parties.

## Procedures for Participant Repair Facility

The following procedures are designed to achieve the mission of the LYNX Collision Repair Network and maintain consistent Program quality. Participant Repair Facility agrees to comply with these procedures.

### A. Referral Assignment

1. LYNX will generate referral assignments for the Participant Repair Facility based on the Customer's choice.
2. LYNX will transmit assignments electronically, by fax, the Internet, or e-mail.
3. Assignments will contain all of the information needed to handle the vehicle inspection and repairs.
4. In accordance with Applicable Laws or Program requirements, a new referral assignment will include a total loss "threshold" percentage amount. If the estimated cost of repairing the vehicle exceeds the stated total loss "threshold" percentage amount on the assignment, prior approval is required from LYNX before any repairs can be started.
5. If the vehicle is deemed a total loss, Participant Repair Facility agrees to complete a "Total Loss Worksheet" for final total loss evaluation. The worksheet will be sent electronically to LYNX along with the repair estimate and photographs.
6. Participant Repair Facility agrees to check for new assignments at least twice per day.
7. If the Customer has reported the claim but the assignment cannot be located, the Participant Repair Facility will contact LYNX immediately.

### B. Initial Customer Contact

1. A LYNX representative will inform the Customer that the selected Participant Repair Facility will contact them within one business day to schedule an appointment to inspect their vehicle.
2. The Participant Repair Facility agrees to make initial contact with the Customer within one business day of the date and time that LYNX transmitted the assignment.
3. At the time of initial contact, Participant Repair Facility will identify itself to the Customer as a LYNX Collision Repair Network Participant and indicate that it has received an assignment from LYNX to schedule an inspection of the damaged vehicle.

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4. At the time of initial contact, the Participant Repair Facility will determine from the Customer whether the vehicle is safely drivable and take the following steps:
  - a. If the Participant Repair Facility determines that the vehicle is safely drivable, schedule an inspection appointment that is convenient to the Customer.
  - b. If the Participant Repair Facility determines that the vehicle is not safely drivable, obtain the Customer's permission to move the damaged vehicle to the Participant Repair Facility for inspection within 3 business days. The Participant Repair Facility will also secure the Customer's permission to remove damaged parts, if necessary, to facilitate inspection.

## C. Estimating Standards and Repair Process

1. Participant Repair Facility agrees to generate all LYNX estimates using a software estimating system of choice recognized by the insurance industry. Estimators shall have sufficient training to be knowledgeable and proficient with the selected estimating software used for LYNX estimates.
2. The repair estimate will include all damage that is visible and verifiable at the time of inspection. It is to be completed on a priority basis and will contain all Customer notices as required by Applicable Laws.
3. When writing the initial repair estimate, the estimator will consider alternative cost-effective methods of repair and parts replacement. The repair estimate will reflect the Participant Repair Facility's ability to return the vehicle to pre-accident condition without sacrificing repair quality or safety.
4. Participant Repair Facility agrees to include digital photographs of the damaged vehicle:
  - a. Initial - When the estimate is electronically transmitted to LYNX. Point of impact/related damage, four corners, VIN/license plate (for identification), unrelated damage (if applicable)
  - b. In Progress - After tear down, on frame rack (if applicable), in paint booth
  - c. Final - After repairs are complete.
5. Participant Repair Facility will:
  - a. At the time the vehicle is delivered for repairs, complete a vehicle check-in form to protect against potential non-claim-related damage misunderstandings.
  - b. Secure the Customer's permission to remove damaged parts to the extent necessary to prepare an itemized estimate.
  - c. Secure written authorization from the Customer to begin repairs, schedule a date to begin the repairs. Authorizations, other than written, will be documented in the Repair Facility repair folder indicating the date, time and person.
  - d. If a LYNXSelect® assignment, Secure a "Direction to Pay / Authorization to Repair" from the Customer.
  - e. For drivable vehicles, complete a repair estimate on the same day as the inspection and provide the Customer with a copy of the repair estimate.
  - f. For non-drivable vehicles, complete a repair estimate on the vehicle and provide the Customer with a copy of the repair estimate.
  - g. Review the repair estimate with the Customer and discuss repair methodology, the type of replacement parts that will be used, refinishing, depreciation or betterment adjustments and appearance allowances, if applicable (Section C.8 describes the process relating to depreciation/betterment).
  - h. Transmit the estimate and the initial, in progress and final digital photos electronically to LYNX within one business day of being due.
6. If LYNX does not receive an estimate within 3 business days of the assignment, a LYNX representative will follow-up with the Participant Repair Facility to obtain a status report.
  - a. If an appointment to inspect the vehicle has been scheduled, LYNX will check the status again after the scheduled inspection date.

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- b. If the Participant Repair Facility has not been able to contact the Customer or has not been able to schedule an inspection appointment, the assignment will be cancelled via electronic notice. LYNX will contact the Customer to determine their service needs. Based on the Customer's choice, the Participant Repair Facility may or may not receive a second assignment for this claim.
7. Participant Repair Facility agrees to immediately contact a LYNX representative in the following cases:
  - a. The vehicle is an obvious total loss.
  - b. The repair methodology depends upon location of alternative replacement parts and a confirmation cannot be obtained within the stated time frame.
  - c. A major teardown or pre-pulling of damaged frame, Unibody, or sheet metal is required to prepare a complete estimate.
  - d. There is a question regarding the practicality or safety of repairing the vehicle.
  - e. There are any disagreements that cannot be resolved between the Participant Repair Facility and the Customer.
  - f. When towing is required for a vehicle assigned through the LYNX Advantage™ Repair Referral Program.
8. Based on the estimator's judgment and industry standards, damage to mechanical parts and components, batteries, tires, and other items such as convertible and vinyl tops may require an adjustment for depreciation/ betterment inline with insurance carrier guidelines. Any consideration for depreciation/betterment adjustments must be documented with discernable and measurable information to support the depreciation/betterment calculation. The Participant Repair Facility will e-mail or fax this information to the LYNX representative for consideration. The LYNX representative or Insurance Carrier representative will contact the Customer to discuss any depreciation/betterment adjustment and will set the expectation with the Customer for any amount that they will be required to pay when the repairs are completed. The Participant Repair Facility will be notified of the amount of depreciation/betterment and agrees to collect this amount from the Customer when the repairs are completed and before the vehicle is delivered.
9. Participant Repair Facility agrees to note any prior damage on the estimate. Unless required by Applicable Laws, prior damage will not be included as items for repair. If a Customer requests repairs that are not related to the loss or are not required to return the vehicle to pre-accident condition, then the following steps will be followed:
  - a. Note these items as "CUSTOMER REQUEST" on the estimate and provide appropriate photos.
  - b. Notify a LYNX representative by telephone or e-mail to receive direction. Do not order parts or start repair work. The LYNX representative or Insurance Carrier will contact the Customer to resolve any discrepancy.
  - c. Start repairs only after receiving authorization from the LYNX representative or Carrier.
10. In cases involving minor cosmetic damage to exterior body parts where repair or replacement would not be required, Participant Repair Facility may offer the Customer an appearance allowance in lieu of repairs. If the Customer refuses, include the repair cost on the estimate and note that the Customer elected repairs rather than an appearance allowance. Appearance allowances will not be considered if there is any question regarding vehicle safety.
11. If during the course of making repairs, unexpected or hidden damage is discovered, the Participant Repair Facility agrees to the following:
  - a. If the hidden damage involves a cosmetic repair or replacement of a component part only, it is not necessary to wait for approval from LYNX to continue with the repairs. However, until the vehicle is delivered to the Customer, the damaged part shall be retained and available for inspection by a LYNX representative or the Customer upon request.

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- b. If the hidden damage that is discovered results in a major change to the original repair plan, notify the Customer and LYNX of these changes. The Participant Repair Facility will not proceed with repairs until receiving approval from LYNX.
  - c. Prepare a supplemental estimate and transmit it to LYNX.
12. When the vehicle repairs are completed, a "Pre-Delivery" checklist will be completed before notifying the Customer. The checklist will include verification that all of the repair work was completed, that the repair quality meets or exceeds industry standards, and that the vehicle was cleaned and detailed for delivery.

## **D. Invoicing and Payments (for LYNXSelect® ONLY)**

Payment for repairs performed under the LYNXSelect® Managed Repair Program will be made by LYNX Services directly to the Participant Provider. Payment for repairs performed under LYNX Advantage™ Repair Referral Program will be paid by the Insurance Carrier or insured and may be in the form of a joint check.

1. A "Direction to Pay / Authorization to Repair" must be secured and uploaded to LYNX.
2. Following completion of the vehicle repairs and before delivering the vehicle, the Participant Repair Facility will reconcile the estimate, and secure a "Repair Acceptance / Warranty Acknowledgement" from the Customer.
3. The Participant Repair Facility will collect any and all Customer payment obligations, such as deductible, depreciation/betterment adjustment, or Customer requested work that was not part of the claim.
4. A final estimate will be transmitted electronically to LYNX for consideration. The Participant Repair Facility agrees that all work performed as part of the LYNXSelect® Managed Repair Program must be directly billed through LYNX.
5. All payments from LYNX to Participant Repair Facility will be processed as Electronic Funds Transfer and will follow the established process of LYNX and the Participant Repair Facility's financial institution.
6. In the event additional repair work is required after the final estimate is sent, the Participant Repair Facility will process a supplement and send it to LYNX for consideration.
7. In the event there are any variances in the estimate/supplement estimate amount, the loss will be readjusted. If the variance favors the Participant Repair Facility, a supplemental estimate will be generated and sent electronically to LYNX for payment. If the variance favors the insurance Customer, the Participant Repair Facility will generate a "negative" supplement and submit a credit refund payment to LYNX.

## **E. Warranty Claim Handling**

1. Participant Repair Facility agrees to offer a Lifetime warranty on workmanship and refinish, limited to the work listed on the repair estimate. The Participant Repair Facility will issue the warranty to the Customer upon completion of the repairs.
2. Warranty claims related to replacement parts listed on the repair estimate are the responsibility of the part manufacturer. Participant Repair Facility agrees to assist the Customer in exercising the manufacturer warranty to correct any repair part deficiency.
3. In the event that a Customer is not satisfied with claim-related repair work performed at a Participant Repair Facility, that participant repair facility will schedule an appointment to re-inspect the vehicle and workmanship within 5 business days or less of receiving the complaint.
  - a. Repair workmanship agreed to be deficient or not up to industry standards:
    - i. Provide a written estimate to the Customer that addresses the repair deficiencies and the correction process

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- ii. Arrange for a rental car, at the Repair Facility expense, for the time required for the repairs
    - iii. Correct the deficiencies at the Repair Facility expense
  - b. If the repair work is loss related but was not included on final estimate or supplement:
    - i. Complete a supplemental estimate showing the work required to address the Customer's complaint.
    - ii. Contact the LYNX representative and send a copy of the supplemental estimate electronically to LYNX.
  - c. Customer complaint is not agreed to be loss related damage or not covered by the policy contract:
    - i. Complete a repair estimate showing the work required to address the Customer's complaint
    - ii. Contact the LYNX representative and send a copy of the estimate. LYNX will consult with the Customer, Carrier, and Participant Repair Facility to authorize corrective repairs and determine who will be responsible for any additional repair costs.
4. LYNX will make every reasonable effort to have the Customer return to the Participant Repair Facility that did the original repairs. If the Customer is not willing to return to the Participant Repair Facility that did the repairs, the following process will apply:
  - a. A LYNX/Carrier representative will inspect the vehicle and determine if the workmanship performed by the Repair Facility was deficient. If it is determined that the workmanship was deficient, LYNX/Carrier will secure an agreed price to correct the deficiency at a repair facility of the Customer's choice.
  - b. A LYNX/IC representative will advise the Participant Repair Facility that completed the original repairs of the necessary repair work and cost for resolution. The Participant Repair Facility that did the original repairs will be responsible for the costs to make the corrections and the cost of a rental car.
  - c. The Participant Repair Facility that completed the original repairs will be given an opportunity to review the resolution assessment and photos, if available. At the repair facility's request, a LYNX/IC representative will make the arrangements for the original Participant Repair Facility to inspect the vehicle at the repair facility where the corrections are to be made.
5. LYNX will work with the Carrier to agree upon the final determination on the course of action for all warranty claims.

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## Appendix - A

### Participant Program Comparison

Use this as a guide to determine what requirements apply to each program.

| <b>LYNX Collision Repair Network</b>   |                     |                                    |
|--|---------------------|------------------------------------|
| <b>Program Features Included</b>   | <b>LYNXSelect®</b>  | <b>LYNXAdvantage™</b>              |
| <b>LYNX Client Assignment</b>  |                     |                                    |
| Assignment Transmittal to Shop   | Electronic & Fax    | Fax Only                           |
| Pre-Guaranteed Payment Upon Vehicle Owner Authorization to Repair  | X                   |                                    |
| <b>LYNX Managed Repair</b>   |                     |                                    |
|  | <b>Fully</b>        | <b>Partial</b>                     |
| <b>Indemnity</b>   |                     |                                    |
| Repair Estimate Written to Insurance Company Guidelines  | X                   | X                                  |
| Repair Estimate Written to Approved Shop Profile Rates   | X                   | X                                  |
| Reinspections: Select Assignment On-Site Performance Review<br>(Technical = In Process Review; Compliance = Post Repair Audit) | Technical           | Compliance                         |
| Total Loss Alert with Audited Initial Estimate   | X                   | X                                  |
| Pre-Valuation Vehicle Evaluation Report when Insurance Co. Desired   | X                   | X                                  |
| 21 Days Free Storage for Pre-Salvage Pick Up   | X                   | X                                  |
| Supplements Audited by LYNX  | X                   | X                                  |
| <b>Rental Management</b>   |                     |                                    |
| LYNX Managed if Insurance Company Desired and Coverage Applies   | X                   |                                    |
| <b>Warranty Management</b>   |                     |                                    |
| LYNXSelect® Fully Managed; LYNXAdvantage™ Facilitate with Ins. Co.   | Managed             | Facilitated                        |
| <b>Claim Payment</b>   |                     |                                    |
| Indemnity Billing (Both Initial Approved Estimate and Supplements)   | LYNX Bills Ins. Co. | LYNX Sends Pmt. Advice to Ins. Co. |
| Indemnity Payment (Both Initial Approved Estimate and Supplements)   | LYNX Pays Shop      | Ins. Co. Pays Shop                 |
| <b>Key Performance Metrics</b>   |                     |                                    |
| Performance Driven Program Participation based on:<br>Estimate Severity/ Parts Utilization/Cycle Time/ Customer Service        | X                   | X                                  |
| Shop Scorecard Participant Status Available to Client  | X                   | X                                  |