

## Collateral Protection Insurance (CPI/VSI) - PDA Package

- All professional service fees are due upon receipt unless requested by the client or PDA.
- PDA's goal is for all files to meet a **24-hour contact**, **48-hour inspection**, and **72-hour turn-around time**. If the 72-hour turn-around time is not met, an explanation (**Status Report**) will be provided to the client.
- **Initial Contact/24 Hours:** Contact with insured/claimant within 24 hours of assignment. If PDA experiences difficulty in contacting the insured/claimant, the client will be notified and solicited for assistance in reaching the vehicle owner.
- **Vehicle Inspection/48 Hours:** Report includes date, location of inspection, complete VIN, license number, condition report including any unrelated damage, repairs and/or parts replacements listed will be made in strict accordance with the manufacturer's specifications and recommendations.
- **Turn-around Time/72 Hours:** PDA's complete, final, closed file, including PDA's service invoice, will be sent to the client within 72 hours of assignment date. If this does not occur, a status report explaining the facts and circumstances will be forwarded to the client **every 72 hours until the assignment is completed**.

### STANDARD TECHNICAL PROCEDURES PDA APPRAISAL STANDARDS FOR VEHICLE DAMAGE (VSI/CPI)

1. **Photographs:** A minimum of eight (8) Color Digital photos will be provided on all assignments and will clearly depict damage indicated on the appraisal. A brief description for each photo will be made on the photo comment sheet. Any damage written on the repair estimate should be clearly depicted by photos. PDA's standard of 8 photo images for repairables include: VIN, odometer, an interior image from the driver's door, 2 opposing corners of the vehicle (one of which depicting the license tag), and close-ups of the damage. For total losses, there will be the standard 4 corners images in lieu of the 2 opposing corners.
2. **Exchange/Rebuilt Items:** Wherever possible, exchange bumpers (chrome and material) and bumper reinforcements will be utilized.
3. **Sectioning:** Wherever possible, sectioning or re-paneling procedures, as opposed to complete replacement operations, will be utilized.
4. **Front-End Alignment:** Front-end corrections will be allowed only in those cases where there is obvious or related damage to the frame, suspension, wheels or the steering apparatus. If an alignment is allowed on the appraisal without the indication of one of the above being damaged, a detailed explanation will be included in the file summary as to why the alignment was allowed.
5. **After-market:** AM parts and CAPA certified sheet metal AM parts will be utilized when the part is of equal or better quality than the part being replaced and LKQ and/or reconditioned parts are not available or are not cost effective with the following exceptions: 1) Current year model and prior year model vehicle 2) Any vehicle with less than 15,000 miles.
6. **Like Kind and Quality:** Wherever possible, LKQ replacement parts will be utilized in all appropriate situations in repairs and/or replacement on all model vehicles with the following exceptions: 1) Tires 2) Steering parts 3) Suspension parts 4) Brake system components 5) Restraint systems. **Where LKO parts are not available, this will be noted on the Condition Report/ Total Loss Report.**
7. **Labor Times:** Accurate time allowances will be established (in hours) on all items to be repaired or replaced, and overlap or included operations will be removed; this also applies to paint times.
8. **Depreciation:** Recommended depreciation will be shown on: 1) paint 2) tires 3) batteries 4) roof coverings 5) electrical items 6) engine components 7) exhaust components 8) floor coverings 9) interior upholstery 10) shock absorbers 11) sound equipment 12) transmissions and any other items that the appraiser feels are applicable and in accordance with generally accepted industry standards.
9. **Sublet Items:** Wherever possible, outside specialty shops (glass shops, trim shops, vinyl top replacement centers) will be utilized. glass prices based on flat rate and NAGS will not be acceptable unless they are competitive with area

glass companies. All sublet items will be indicated on the appraisal, including the name and telephone number of the facility.

10. **Appraisal Recap:** The following items will be clearly shown: (1) the repair facility's labor rate being applied; (2) the parts discounts being allowed; (3) the local tax rate and to what sum of money it is being applied; (4) all towing and storage bills will be verified and copies will be obtained for the adjuster.

11. **Supplements:** Additional damage will be verified by actual inspection only at the client's request. When a second shop visit is required by the client, the appraiser will determine whether all items allowed for replacement on original estimate have, in fact, been replaced. At the client's request, a copy of the parts invoice will accompany a supplement and photos necessary to document supplemental damage will be provided. Supplements not requiring copies of the parts invoice, will be submitted within 48 hours of receipt of notice by the appraiser. Supplements requiring copies of the parts invoice will be submitted within 48 hours of receipt of said invoice(s) by the appraiser. Clients will be notified promptly upon receipt of notice of any supplement.

12. **Agreed Prices:** All appraisals will be agreed upon with a shop of the owner's choice. If an owner has not yet chosen a shop, any differences of opinion in the appraisals will be resolved with the shop of the owner's choice once the vehicle is in the shop. Any honest element of doubt concerning an appraisal item should be indicated on the appraisal showing the amount and an explanation of the circumstances. When a dispute cannot be reasonably resolved, it may be necessary to secure an agreed price with another reputable shop and relay this information to the client immediately by phone or email.

13. **Authorization to Repair or Disassemble:** Under no circumstance will authorization be given to a shop to make repairs (including supplements) or to disassemble a unit. The owner must authorize repair or disassembly at the shop of his/her choice.

14. **Pre-existing Damages:** Non-related damages or unrepaired physical damage (UPD) will be notated in the comments section of the condition report and accompanied by the necessary photos depicting the damage unless otherwise requested by the client.

15. **Appraisal Distribution:** Client will receive an Assignment Diary, Condition Report or Total Loss Evaluation, agreed price appraisal and photos on all losses. One copy of the appraisal will be provided to the insured/claimant or repair facility. Vehicle owner will be informed that the appraisal is subject to approval of the claims adjuster.

16. **Condition Report:** An Automated Condition Report will be provided on all repairable vehicles. This report will include; (1) approximate ACV and approximate salvage value when the repair costs are 50% or greater of the ACV, (2) approximate time to repair, (3) existing towing/storage charges, (4) condition of paint and interior, (5) unrelated damage, excessive wear and tear, rust or other reconditioning necessary, and (6) any other remarks/comments the client needs to be aware of.

17. **Total Losses:** On all total losses, a detailed Total Loss Evaluation including: (1) mileage; (2) all vehicle equipment, standard or optional; (3) condition of paint and interior; (4) tire tread depth including the spare; (5) unrelated damage, excessive wear and tear, rust or other reconditioning necessary will be made to substantiate the actual cash value of the vehicle. Appraisals are required on all total losses to the point of ACV.

The client will be immediately notified upon determination the vehicle is a total loss and will be provided the following information: 1) claim number 2) vehicle description 3) tow invoice amount 4) daily storage rate and total bill to date. Additionally, if the vehicle's cost of repairs renders it a constructive/borderline total loss, same will be notated in the comments section of the condition report and the client will notified ASAP.

18. **Salvage Location:** On all total losses, the exact location of the salvage, including telephone numbers, towing charges and daily storage rates, will be included. PDA appraisers are not licensed or authorized to move salvage.

19. **Special Instructions:** Call client about any unusual circumstances and/or for clarification of instructions.

20. **Government Regulations:** All local and state regulations will be adhered to.