

Transport Quality Manual

Chapter 7. JLR Damage Control



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7.1 Scope

This chapter covers SP (Service Providers) general inspections and transit damage reporting out/notification requirements, in relation to TQM (Transport Quality Manual) from manufacturing handover ABS (Accepted by Sales) location, up until final Delivery point/location as contracted on behalf of JLR (Jaguar Land Rover) FVD (Finished Vehicle Distribution)

7.2 Objective

The objectives of this chapter includes:

- To have a standardised awareness of handover inspection TQM requirements
- Ensure SPs/Contracted parties record damage at the earliest opportunity and report out/notify key stakeholders in a timely fashion in accordance with TQM.
- Aids understanding of documents and photograph requirements/evidence and linkage into TQM Appendices 1-5
- To enable an auditable damage liability record on route to market to understand reporting out transit damage requirements
- Conveys contact details of Email address for contracted global claims agent. Sevatas
- To ensure SPs understand procedures for reporting Serious Damage Incidents/Accidents/Unusual Events/Storm damage etc.
- Defining Vehicle Transit Damage Category 1-4 Classification Criteria
- Stolen Vehicles Reporting Procedure
- Understanding and awareness of Controlled Salvage on CAT 4 Vehicles

7.3 Vehicle Inspections

Inspections at Handover at ABS from Manufacturing or Strategic Port or Compound Locations

Customer focus is important in line with the process and procedures outlined throughout TQM. Part of this includes checking the condition of the vehicles during different stages of the distribution legs of the supply chain from plant to final defined specific market handover point. (As contracted/applicable)

7.3.1 For Vehicle Handover Locations with Autoscan/Photo Booth

- For strategic locations **with** a JLR approved Autoscan/Photo booth image capture capability, elements of chapter 8/TQM Appendix 11 (JLRQOS037) process may not be required* if physical inspection is not in place.

**Must be with agreement from JLRTQ Team.*

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7.3.2 For Vehicle Handover Locations without Autoscan/Photo Booth

- For strategic locations **with no** JLR approved Autoscan/Photo booth a physical Inspection is required as per normal handover inspections/process.
- Vehicles are be inspected to TQM (Transport Quality Manual) Chapter 8, Survey Standards
- For damage found at manufacturing plant handover point the SP (Service Provider) should reject the vehicle if not within the JLR C1 surface damage standards table defined in TQM Appendix 11 – JLRQOS 037)
- For damage found in plant located distribution compounds report as per local/agreed operations procedure with supporting VLDR (Vehicle Loss/Damage Report)/Photos (By authorised contracted personnel)

Vehicles should be inspected and damage reporting out at key point in the supply chain at various handover locations (As defined in FVD Route Liability Process Maps & TQM Appendices 1-4 as applicable) or during storage 30 day maintenance checks.

7.4 SP Carrier/Market Procedures are outlined in detail in **TQM Appendices 1 – 4 Ref**

It is important that all SPs and contracted parties are familiar with these procedures.

TQM Appendices 1-5, where applicable, define handover procedures and claims process in detail TQM Appendix 5 only used in support of vehicle Category 4 damaged vehicle issue.

REFERENCE	TOPIC
TQM Appendix 1	JLR Carrier Procedures –V18
TQM Appendix 2	JLR UK Retailer (Dealer) Delivery Procedure-V18
TQM Appendix 3	JLR European Retailer (Dealer) Delivery Procedures-V18
TQM Appendix 4	JLR Worldwide Delivery Procedures-V18
TQM Appendix 5	JLR Global ‘CAT 4’ Procedure-V18

Transit Damage items are to be reported out where possible by the receiving party, to the delivering service provider.

- This should occur before the receiving/delivery carrier/service provider has left the premises, unless a written agreement exists between parties detailing other arrangements (EG. Out of hours drop off local agreement in place at Port etc.).
- It should not extend, beyond one working day of delivery without prior approval of JLR.

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- Damage/Concerns are to be recorded in writing or email in conjunction with supporting VLDRs/DCRs Photos etc. as defined in relevant TQM Appendices 1-4
- The preceding contracted SP should confirm the fault / damage by signature if noted at handover by the receiving party e.g. on POD (Proof Of Delivery) or DCR (Dealer Condition Report) This is not an acceptance of liability just verification that damage was on vehicle at the point of handover.

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IMPORTANT

- During Finished Vehicle Distribution events/legs transit damages/losses which are found after designated hand over, and which are not already registered in writing during car receipt are to be charged to the expense of the Service Provider or responsible/liable party/service provider in custody of the vehicle at the date/time of the damage recognition/found
- The party deemed liable for damage is also responsible for all costs of transfer to a suitable repair location at JLRs discretion

Vehicle Damage Repair

- Vehicles released from JLR (Jaguar Land Rover) Manufacturing Locations/plants are released as a finished standard.
- No additions, enhancements or deviations from this condition are to be undertaken without due authority and knowledge of JLR FVD Transport Quality Team.
- Only authorised trained personnel are allowed to work on JLR vehicles that are being repaired whilst in the distribution supply chain.

7.5 Vehicles Damaged During Distribution Control Minor/Major Damage

- To avoid customer delays, JLR vehicles with minor damage will usually be sent forward to final destination for repair EG surface scratch/small paint chip etc....

In reference to VLDR Severity codes

- Descriptions on severity codes can be found in TQM Chapter 8
 - Code 1 and 2 vehicles are usually sent to market without any repair
 - Code 3 and 4 vehicles are usually repaired at a Centre Of Excellence (COE) prior to delivery/sending to ROW (Rest Of World) markets (EU Markets are managed individually case by case)
 - Code 5 vehicle is a CAT 4 and TQM Appendix 5 is followed.
-

For vehicles with significant or structural damage etc....please follow as below on page 5



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UK Specific:

- Any enquires for damages /issues/faults which require vehicle returning to UK plant or COE (Centre of Excellence) repair locations (that occur in the UK) are to be directed to UK JLR Transport Quality Team.

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European Specific:

- Any enquires for damages / faults/ which require vehicle returning to UK/European plant locations (that occur in Europe) are to be directed to European JLR Transport Quality Team.

7.6 Reporting of Serious Damage Incidents

Any serious damage incidents/accidents that may include:

- Transport accident(s) involving a JLR vehicle(s)
- Personnel Injury/Any Relevant H&S incident
- Total or severe loss and damage.
- Hail & Storm weather damage on land
- Vessel Voyage/Storm on water accidents
- Vandalism.
- Fire Damage
- Extraordinary occurrences/Unusual Events causing vehicle damage.
- Stolen vehicles/Theft of vehicles / parts

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7.7 Vehicle Damage Categorisation Reference (Cat 1-4)

Vehicles damaged will be handled as one of the optional categories 1-4 as detailed below:

Category (Cat) 1.

- Damage of a lesser nature, capable after repair of being to a new standard.
- Damage confined to easily replaceable/repaired components that are not structural in nature. Doors/bonnets, tailgates, bumpers, wheel and tyres all fall into this area.
- Vehicles with ***repair estimate** below 20% of "JLR product valuation" (*Without Significant damage to main areas including structural or welded zones*) will be managed as a Cat 1 as per JLR Standards.

Category 2.

- Significant damage to main areas including structural, bonded panels, riveted or welded zones, or airbags deployed, which after specialist repair can be returned to a new standard must be classed as Cat 2
- Cat 2 Vehicles are not available for public sale as a new product.
- All such damage must be declared to the selling authority/JLR order control team. Vehicle with ***repair estimate** between 20% and 30% of "JLR Product Valuation" will be allocated as a Cat 2
- Depreciation in saleable value will be deemed as part of the total loss experienced.

Category 3.

- Highly sensitive product /engineering related/ commercial sensitive, engineering specification and test vehicles.
- Disposal can only be as a completely broken/vehicle.
- JLR approval is required. Usually only operates for internal disposal of vehicles.
- A Cat 2 vehicle can move to this level if engineering or internal departments complete budget and Take on Charge protocols.

Category 4.

- Substantial damage to large areas/safety critical zones /multiple damage to high cost components or re-categorised Cat 2 units (Where applicable) will be disposed of as 'controlled salvage vehicles', not for sale as a new product under any circumstances.
- JLR Vehicles will be sold where authorised, and subject to controlled salvage/disposal.
- Unit(s) with a damage ***repair estimate** in excess of 30% of "JLR product valuation" will be deemed as non-repairable.
- All Vehicles of a Cat 4 level and sent for salvage must be declared to Warranty/Customs (for Export Vehicles)/Order Control/Trade Finance via JLR FVD TQ team.
- Cat 4 Process is detailed in TQM Appendix 5

***Repair estimate** Deviation to the damage Category allocation will be assessed and can be changed in special circumstances (for high value components, e.g.: Non Structural repairs) BEV Lithium Ion battery, LED/XENON headlamps assembly etc. Where JLR FVD TQ team has concurred/confirmed)

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7.8 Controlled Salvage

- Under no circumstances can damaged vehicles, or parts be sold/ purchased or otherwise disposed of other than through Jaguar Land Rover procedures and contracted parties.
- Contracts accepted by carriers are on the basis of this understanding.
- No scrap value will be associated to any claim unless the damage to the vehicle is categorised as a total loss (Cat 4)

Controlled salvage allowances/recovery/ monetary value/amount less expenses will be deducted from total loss and credited/adjusted to liable party claim following receipt of full insurable value less handling admin fee of 0.5% of JLR product valuation.

Product involved in serious incidents, accidents, fire, inundation or similar will be totally scrapped to protect the companies from liability litigation should these units reach the market. This decision will be to the **sole discretion of JLR** and will override **all and any assumption** to a "right to salvage".

Where referenced above and below "JLR product valuation" is defined as follows
"Wholesale price or where an allocated vehicle's sales invoice had or was intended to be raised, the actual Sales Invoice Value. Whichever is greater and applicable at the time of loss or damage"

7.9 Protective Markets

There are markets that may not accept damaged units categorised as CAT 2 standard. These include Japan, Russia, and China

7.10 Product Concern Reporting on JLR UK FVD Central Plant/Compound Locations

Any serious/**unusual** incidents occurring before vehicle gate dispatch, operators should follow the Product Concern Reporting Procedures (Single point lesson – Product Concern Reporting Solihull /Baddesley/Stone/Halewood/Castle Bromwich (see TQM Appendices 8j).

7.11 Storage Time for Claims

- Claims process for transit damage are covered in the respective TQM appendices 2 - 4
- Claims raised will be valid for a period of 12 months from date of notification; extension beyond this timing will be justified and agreed via Sevatas.
- Damage files created by the transportation partners, service providers or their claims agencies are to be held available for inspection up to one year following the completed repair date.
- Records of claims including formal documentation/evidence must be retained for at least five years from date of incident notification.
- CAT 4 Claims require record retention of at least 5 years from date of incident.

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7.12 Stolen Vehicles

- Vehicles stolen whilst in the care of the contracted parties are the cost liability of the contracted party.
- Proactive efforts should be made to mitigate this risk.
- All administration, recovery, repatriation, repair, valet or disposal will be to the main contractor cost subject to any recovery achieved.
- Vehicles stolen and recovered may be handled as cat 2 vehicles in the UK dependent on circumstances; other markets are dependent on approval.
- Stolen, non - recovered, will be classed as total loss Cat 4 units at 2 months following incident date.
- Damage and returned condition will be handled as a separate assessment and categorised once assessed.

Any applicable endorsement/updates to this procedure will appear here.

