

Generac Damaged Freight Procedures

Effective February 16, 2009



Policies & Procedures for Damaged and Missing Material

During delivery the consignee should closely inspect all of their material for signs of damage to the shipping pallet or packaging. Check for holes through the packaging, loose, or missing packaging, pallets smaller than the materials, parts falling off, non-standard taping, etc. If either the pallet or packaging shows signs of potential damage the consignee should remove the packaging and inspect the material in the presence of the driver. Follow the *Visible Damage* procedure if there is visible damage to the material.

If there are no signs of damage on the packaging, sign the delivery receipt clear and accept the material. The consignee should fully inspect the received pieces within 48 hours to check for concealed damage. Follow the *Concealed Damage* procedure if there is concealed damage to the material.

Drivers are not required to wait while the consignee un-packs and inspects the material if there are NO visible signs of damage to the packaging. When there are visible signs of damage, it is essential that consignee unpacks and inspects the shipment with driver present. Drivers are required to stay for inspection of visibly damaged materials.

Visible Damage – damage that is clearly visible at the time of delivery

Generac Power Systems recommends that the consignee refuse the visibly damaged pieces of a shipment. Non-damaged items are receivable even when refusing damaged items on the same shipment. Upon refusal the consignee needs to contact their Generac account representative to notify them about the refusal and which items were refused. A credit and replacement order will then follow.

If the consignee chooses to accept the damaged material, following the outlined procedure increases the successful resolution of any claim. If the consignee agrees to accept a damaged shipment knowingly, Generac will not send free replacement parts to the consignee.

- Note the damage on the Proof of Delivery (POD) before the driver leaves and obtain the driver's signature. This is the single most important factor in defending a claim. Carriers are more likely to deny a claim without notated damage on the POD.
- Take pictures of the damage starting with a full view in the original packaging and moving in to detailed pictures of the damaged areas. Retain all packaging, pallets, loose parts and the POD. Disposing of these items reduces the odds for a successful claim.
- Contact the carrier within 7 days to begin the freight claim process and request a carrier inspection. This will speed up the claims process and increase the chances for a successful claim.
- Following the carrier inspection, order the parts needed and complete the generator repair. Promptly submit the required paperwork to the carrier after repair to complete the claim.

Generac can not guarantee claims payment due to numerous circumstances beyond our control, and therefore strongly recommends refusal of the damaged pieces.

Concealed Damage – damage that cannot be seen at the time of delivery

The consignee should fully inspect the material within 48 hours of the shipment to ensure that there is no concealed damage, even after a signed clear receipt. The consignee should follow the procedure below if concealed damage is found. Generac will not send free replacement parts to the consignee.

- Take pictures of the damage starting with a full view in the original packaging and moving in to detailed pictures of the damaged areas. Retain all packaging, pallets, loose parts and the Proof of Delivery (POD). Disposing of these items reduces the odds for a successful claim.
- Contact the carrier listed on the Generac packing list or Generac invoice immediately to begin the freight claim process and request a carrier inspection. This will speed up the claims process and increase the chances for a successful claim.
- Following the carrier inspection, order the parts needed and complete the generator repair. Promptly submit the required paperwork to the carrier after repair to complete the claim.

Due to numerous circumstances beyond Generac's control, we cannot make guarantees about claims payment. The consignee may submit a denied claim to Generac for evaluation; we will follow up with the carrier to provide further explanation about the denial. Following the correct procedures is extremely important in ensuring that claims process quickly and with maximum return. Whether a claim is accepted or denied, the dealer will receive a written explanation from the carrier.

Some Reasons Claims May Be Denied include, but are not limited to:

- The consignee accepted clearly damaged material without noting the damage on the Proof of Delivery (POD).
- The consignee filed a claim for damage outside the window in which to do so.
- The consignee is claiming an unreasonable amount based on the damage that has occurred (ex. claiming a brand new generator for a dented panel). Damage causing a total loss of product is very rare.
- Consignee fails to provide some or all of the information required by the carrier to process the claim.
- Consignee disposes of the material and/or packaging available for inspection (the carrier reserves the right to send out an inspector on all claims to inspect the actual damage and packaging).

Missing items

There are 2 situations in which missing items can occur. The first is when an entire piece of the delivery is missing in transit. The second is when the shipment arrives complete, but there are parts missing from the materials.

- Check the BOL or POD to verify that total pieces shipped matches the receipt. Refer to packing lists to resolve discrepancies and ask the driver to check the trailer for missing pieces.
- When items are missing in transit the shipment will come incomplete or with fewer items than the delivery receipt indicates. The consignee must match the number of pieces listed on the delivery receipt with the number of pieces they are accepting to ensure they match. If the delivery is short, note how many pieces it is short on the delivery receipt and contact Generac immediately. Generac will advise the consignee on how to proceed.
- If a shipment receipt has the correct number of pieces, but further inspection reveals missing materials (ex. manuals, keys and other miscellaneous parts), the consignee must notify Generac immediately. Inspect shipments fully within 48 hours of receipt and report shortages or missing parts to Generac within 7 days. Notification outside the 7 day window may result in the denial of parts replacement request and the consignee will be responsible for replacing the item(s) at their cost.