

BULLETIN

NATIONAL ACCOUNTS
2895-F
January 27, 2005

TO: All Franchises

FROM: Susan L. Steen

SUBJECT: National Accounts Guidelines Update
(Replaces Bulletin #2577F– dated November 15, 2002)

National Accounts Guidelines provide assurance to our clients that SERVPRO Franchises will provide a consistent level of service throughout the country. The Guidelines are the **minimum** responsibilities for providing cleaning and restoration services for SERVPRO's clients. In many cases, you will receive referrals directly from an insurance company or other client. Clients participating in national programs with SERVPRO expect the National Accounts Guidelines to be followed for all jobs performed for their company. SERVPRO customers expect consistent performance regardless if the job referral is made locally or dispatched from the SERVPRO National Call Center.

Participation in the National Accounts Program is subject to fulfilling all criteria as outlined in the following guidelines. The specific requirements for individual insurance companies, which differ from the program defined below, will be communicated in a Program Bulletin distributed by SERVPRO prior to account implementation. Franchises which deviate from the National Accounts Guidelines will be suspended from receiving job lead referrals. Repeated noncompliance may result in suspension from the Program. See Section VIII, *Warnings, Infractions and Suspensions* for a summary of performance expectations.

The National Accounts Insurance Restoration Service Guidelines outlined below are subject to changes.

I. National Account Job Lead Acceptance Agreement

Claims called to the SERVPRO National Call Center are **job leads and do not carry any guarantee of work to be performed or payment for services**. A claim number assigned by an insurance company is not an indication of coverage, but simply a carrier reference number. Always obtain proper authorization and documentation prior to completing any work. By accepting a National Account job lead dispatched from the SERVPRO National Call Center or directly from an insurance company with established guidelines, you are hereby agreeing to follow all requirements as listed in the guidelines and applicable Program Bulletins. SERVPRO will monitor compliance with the National Accounts Guidelines. Failure to follow the National

Accounts Guidelines and applicable Program Bulletins will result in suspension and/or removal from the National Accounts referral program.

II. Qualifications

1. Franchisees must maintain the then current insurance coverage as required by the SERVPRO license agreement, including: commercial general liability, pollution liability, limited service and repair liability, vehicle liability and workers' compensation, or if not applicable, a workers' compensation waiver.
2. Franchisee maintains a current Certificate of Insurance on file for all subcontractors listing Franchisee as additional insured evidencing a minimum of \$1 million in general liability coverage and workers' compensation coverage of not less than \$500,000. A signed Agreement between Independent Contractors and the Franchisee is on file for each subcontractor in the franchisee's office. (Reference Form Number 28548.)
3. Franchisees must perform an appropriate background check on all employees, including temporary employees. The background check must include misdemeanor convictions in the county in which the worker has lived the longest or where they currently reside and an employment history for the past five (5) years or three most recent employers. The Franchisee agrees not to employ any individual who has been convicted of a felony involving dishonesty or breach of trust, or any conviction for any type of physical assault. The Franchisee must maintain written documentation of background checks performed. Periodically, specific programs will provide for additional requirements based on program guidelines or contractual agreements which must be followed.
4. Franchisee must be in good financial standing. All valid financial obligations to Corporate, Distributors and vendors are paid timely. Asserted third party delinquencies brought to the attention of SERVPRO Corporate will be monitored through the Quality Assurance Program. Franchisees currently in receipt of a notice of default of their Franchise License Agreement may not be referred job leads.
5. Business resume for Franchise is on file at Corporate.
6. Franchisee must adhere to SERVPRO's minimum required computer hardware standards and must utilize the most current version of all SERVPRO mandated software or software prescribed by National Accounts Program Bulletins or Client Service Guidelines. Franchisee must utilize SERVPRO mandated electronic communication system.
7. Franchisee is required to have broadband Internet connectivity.



8. Customer complaints are resolved following Section VII, *Quality Assurance Program/Service Resolution*.
9. Franchisees will attend a minimum of 75% of available SERVPRO meetings, including, but not limited to, Convention, Regionals, Area Meetings and Business Review Visitations. Convention attendance is not mandatory for Franchisees in business for less than 12 months prior to Convention.
10. Zip code coverage for the Franchisee's territory must be on file with the SERVPRO National Call Center to receive job leads. Assigned zip codes can be viewed on *ServproNET*[®] 24 hours after activation. The Franchisee is responsible to make certain their assigned Trainer/Director has provided the proper zip code assignments to the SERVPRO National Call Center and the zip code list for the individual Franchise as reflected on *ServproNET*[®] is accurate. Changes to zip codes must be requested by the assigned Trainer/Director.

The zip code assignment and change process is the responsibility of the assigned Trainer/Director. Zip codes must be assigned to a Franchise according to SERVPRO guidelines or designated as unassigned. Assigned and unassigned zip codes must be communicated to the SERVPRO National Call Center via the Zip Code Assignment Form available to Trainers/Directors on *ServproNET*[®].

III. Claim Dispatch/Administration

1. A qualified employee must answer the SERVPRO business phone Monday through Friday between the hours of 8:00 a.m. and 5:00 p.m. local time. A new Franchisee, in business less than one year, may utilize an answering service or voice mail paging system during business hours as long as messages are retrieved immediately. An answering service or voice mail paging system may be used after hours and holidays. Answering machines/voice mail without immediate paging capabilities are not acceptable.
2. Franchisee must respond to all calls 24 hours a day, seven days a week, unless specific program guidelines outline different requirements. After hours calls must follow the **1-4-8** program. Timely dispatch is a critically judged operational issue. Direct work, self-insured and *ERnet*[™] work will not always require 1-4-8 response, as specified by either the caller or Service Guidelines for *ERnet*[™]. Franchisees must contact the SERVPRO National Call Center as soon as they are paged. After 20 minutes, the call will be dispatched to the next qualified Franchisee. The procedures performed prior to calling the assigned Trainer/Director are as follows:
 - a) The SERVPRO National Call Center will attempt to contact the appropriate Franchisee at their primary number immediately after the claim is reported. If the SERVPRO National Call Center does not receive a response from the Franchisee within 10 minutes, the SERVPRO National Call Center will

attempt to contact the Franchisee using the Franchisee's secondary number.

- b) If no response is received within 10 minutes of calling the secondary number, the next closest qualified Franchisee will be called with the job opportunity. If no response is received from the alternate Franchisee within 10 minutes, or if the Franchisee is unable to respond to the job, the Trainer/Director will be called and is expected to recommend an alternate SERVPRO Franchisee or service the claim.
 - c) The SERVPRO National Call Center **must dispatch the job lead** to ensure proper administration of the claim. Franchisees may not accept job leads and subsequently cancel or transfer responsibility to another Franchisee. In the event a job lead cannot be handled, the job lead must be turned back to the SERVPRO National Call Center as soon as possible for dispatch to another office. A turn back will be considered a turn down and the \$8 turn down fee will apply.
 - d) Franchisees not responding to SERVPRO National Call Center dispatches within the allotted time frame, as described above, are considered to have turned down the job, and are not eligible for territory commissions, if any, provided for under Territorial Policy. Franchisees not responding to the SERVPRO National Call Center will be charged an \$8 turn down fee.
3. The **1-4-8** Program is critical to the service performance of all SERVPRO National Accounts Participants. Insurance companies expect timely mitigation to lower their loss expenses and enhance customer service. All customer time requirements must be met.
- a) Customers must be contacted immediately within **30 minutes** of dispatch of the loss from the SERVPRO National Call Center regardless of work in progress, time of day, or current workload.
 - b) If the Franchisee is unable to contact the customer within **30 minutes** or be on-site within four hours, the Franchisee must notify the SERVPRO National Call Center so the lead may be dispatched to an office able to respond timely. In the event all offices are unable to respond within the specified time frame (e.g., storm situation); Franchisees are advised to start a "wait list" for services, rather than canceling National Accounts jobs. The Franchisee must immediately notify the SERVPRO National Call Center of the "wait list" status. The customer must be contacted within one hour as specified and notified of the potential delay in service.
 - c) An emergency service crew must be on-site to perform services, within the specified time frame, not to exceed **four hours** from dispatch of the loss from the SERVPRO National Call Center. Scheduling an appointment for a later time is NOT fulfilling the on-site performance requirement.

- d) Special situations as defined in Program Bulletins, e.g., excessive drying times, mold detection, etc. must be verbally communicated to the adjuster, or other party indicated, immediately.
 - e) Verbal briefing information, including documentation of 1-4-8 must be documented in *ScanER[®]XL* and uploaded via *ServproNET[®]* within **eight (8) business** hours of the on-site visit.
 - f) If any of these time requirements are not met, the Franchisee must immediately report the discrepancy to the source of the call, including the customer or Insurance Company Representative and describe the circumstances in the “Notes” section of *ScanER[®]XL*.
4. Utilization of *ScanER[®]XL* to download the First Notice of Loss via *ServproNET[®]* from the SERVPRO National Call Center is mandatory Monday through Friday during the business hours of 8:00 a.m. and 5:00 p.m. in the Franchisee’s respective time zone.
 5. Use of *ScanER[®]XL* is mandatory for all jobs performed by Franchisees participating in the National Accounts Program. In the event an insurance company requires the use of an estimating program other than *ScanER[®]XL*, Franchisees must complete the *ScanER[®]XL* file as indicated in step III.6; however, include a scanned image of the estimate rather than a *ScanER[®]XL* estimate. The summary pages containing job totals are acceptable.
 6. For all National Account job leads for which *ScanER[®]XL* is mandatory, a **COMPLETED** *ScanER[®]XL* job file (with status marked complete), including documentation of 1-4-8, estimate, invoice, images and required forms **must** be uploaded to SERVPRO Corporate as soon as practicable after completion.

The **completed** job file for standard water losses must be uploaded no later than **ten (10) business** days from date of dispatch from the SERVPRO National Call Center. (See Section IV.2-3 for further description of required documents and photos.) Nonstandard water losses must be uploaded as incomplete within **ten (10) business** days denoting the reason for delay. Job files which do not meet all requirements as identified above and are not received within **ten (10) business** days will place Franchisee on temporary suspension from receiving work from the SERVPRO National Call Center until such time the completed job file is received and approved through the job file audit process.

The **completed** job file for all other loss types (e.g., fire restoration, mold, large loss) must be uploaded within **twenty-five (25) business** days. In the unusual circumstance the job cannot be completed within **twenty-five (25) business** days, the file must be uploaded as incomplete within **ten (10) business days** denoting the reason for the delay (e.g., move-out, third party delay, etc.).

7. An invoice must be included in all *ScanER[®]XL* job files. The SERVPRO invoice must include the Franchise's tax I.D. number.
8. All *ScanER[®]XL* job file audit exceptions are corrected within two (2) business days.
9. After the *ScanER[®]XL* job file has been populated and uploaded via *ServproNET[®]*, an *e-Viewer[™]* should be sent to the assigned adjuster based on the requirements outlined in the specific National Accounts Program Bulletin.
10. An administrative fee is charged to and payable by the recipient of the dispatch of all SERVPRO National Call Center job leads. All job leads dispatched to a Franchisee are feeable as described below. The SERVPRO National Call Center administrative fees may be adjusted from time-to-time. The current fee schedule is as follows:
 - a. \$8 fee per job lead.
 - b. An \$8 turn down fee will be assessed to any Franchisee which turns down work in their assigned zip codes. Franchisees not responding to calls from SERVPRO National Call Center within 20 minutes will be considered to have turned down the work and will be assessed the \$8 fee.
 - c. If a Franchisee receives a job lead from the SERVPRO National Call Center for which work is not performed, the Franchisee is required to cancel the claim via *ScanER[®]XL* within five (5) business days of dispatch. The cancellation must include information about the job including 1-4-8 time standards and reason for cancellation. Jobs canceled through *ScanER[®]XL* within five (5) business days of dispatch will not be subject to the \$8 job lead fee.

NOTE: A Franchisee that cancels a job for which work was performed to avoid paying fees will be suspended from the National Accounts Program for one (1) year.

- d. A \$25 surcharge will be assessed to reactivate any Franchisee which has been temporarily suspended as a result of noncompliance with these guidelines. See Section VIII. *Warnings, Infractions and Suspensions* for a list of program deviations resulting in suspension.

Franchisees will be sent a monthly statement for job leads referred the previous month. Payment is due by the 25th of the same month billed. Any account not paid in full by the end of the same month billed will be assessed interest at a rate of 1.5%, monthly. Also, convention allowance may be denied for past due

accounts as with any delinquencies. Franchisees with account balances 90 days past due will not be eligible to receive future jobs until the amount is paid current.

National Account Programs may require additional fees per claim, including 3rd party estimating and/or electronic processing fees. Additional fees will be communicated in National Account Program Bulletins prior to account implementation, or as soon as SERVPRO is made aware of the fee.

11. Franchisee must make every reasonable effort to accept all job leads assigned. Excessive turndowns or cancellations are grounds for suspension from the National Accounts Program. Job leads may be turned down after the Franchisee has visited the job location and identified an unsafe work condition or pricing issue which is not consistent with SERVPRO's Subregional Pricing Guidelines.
12. The Franchisee and their employees must treat Servpro Industries' employees in a courteous and respectful manner. Cursing or abusive language will not be tolerated and are grounds for immediate removal from the National Accounts Program.
13. Franchisees must also make every reasonable effort to maintain active status for acceptance of job leads. A Franchisee in business in excess of one year may not have more than one out of service status per quarter. Out of service status is not to exceed ten (10) business days. When a Franchisee is not able to uphold their commitment to the SERVPRO National Accounts Program for any period of time, the Franchisee must inform their Trainer/Director in a proactive manner. The Trainer/Director must then notify the SERVPRO National Call Center of the absence of the Franchisee and advise of alternate procedures. No fees are assessed during out of service status.

IV. Job Process

1. Franchisees participating on National Account jobs must utilize SERVPRO's job processes as defined in the SERVPRO Operating Manuals including SERVPRO 35023 Water Damage Manual. Refer to the appropriate manual for a description of the job processes.
2. The applicable SERVPRO Fire Insurance File (No. 39500) and Water Insurance File (No. 39600) must be utilized to document the work performed on National Account jobs. The completion of the information on the job folder and supporting documentation should be available to insurance clientele for review and/or audit purposes. SERVPRO recommends utilizing all of the forms in the job files. However, the following forms are mandatory:
 - Authorization to Perform Services (No. 28000 or 28001).
 - Monitoring and Inspection Reports (No. 28575).
 - Certificate of Satisfaction (No. 28503).

- Customer Information Form – Water Damage or Fire Damage (No. 28501 and No. 28500, respectively).
- SERVPRO Invoice (No. 29502).

The following SERVPRO forms are required, if applicable:

- Insurance Customer Brochure (No. 46000).
 - Mold Brochure (No. 46050).
 - Customer Agreement Mold Mitigation & Related Services (No. 28546).
 - Mold Notice to Prospective Customer (No. 28545, revised 10/01).
 - Water Damage Emergency Services Form (No. 28576).
 - Customer Equipment Responsibility Form (No. 28509).
 - Customer Information Form (move-outs) (No. 28502).
 - Terms of Move-Outs (No. 28510).
 - Billing and Payment Form (No. 28513).
 - Release for Disposal of Belongings Form (No. 28514).
3. Take pictures of the loss site. Photos should be imported into *ScanER[®]XL* as images. Include one photo of the front of the property and, at a minimum, one photo of the loss site (affected area). All photos must be properly labeled or identified as outlined in Bulletin No. 2697F, dated June 27, 2003. Certain specific program bulletins require pictures be mailed with the accompanying estimate to the adjuster. A printed and imported copy of digital photos is acceptable.
 4. If mold is detected on a loss, stop work immediately and communicate with the assigned adjuster prior to recommencing work.
 5. All service vehicles are to be properly painted and decaled. If a service vehicle is more than five (5) years old, it will be required to be repainted unless the Franchisee can demonstrate that the vehicle has been maintained in such a fashion that it is difficult to differentiate this vehicle from a vehicle that has been recently painted and decaled.
 6. All production personnel and temporary employees must use SERVPRO approved products, uniforms, equipment and vehicles. Subcontractors used on a claim must also maintain a professional image. At no time are SERVPRO Franchisees allowed to refer cleaning and restoration services, other than subcontract services not normally provided by SERVPRO Franchisees, to other cleaning companies.
 7. All employees and temporary employees must be properly trained and fully comply with all safety practices, including mold safety on all losses. Franchisees must utilize SERVPRO's Safety Manual, No. 35076, when applicable.

8. All employees, including temporary employees and subcontractors must treat the insured, the insured's family, and the insurance claims representative in a courteous, respectful manner.
9. Proper drying of the customer's premises is essential to the success of SERVPRO's mitigation services. Under normal circumstances, complete dry down should be achieved in three days. If conditions exist which prevent the completion of drying, the Franchisee should immediately communicate with the adjuster and obtain approval for additional drying services. The Franchisee should continue the drying process until the structure and contents are dry. Do not compromise the quality of service to the insured, but communicate proactively.
10. If carpet cannot be restored, the Franchisee must leave a 12" square carpet and pad sample at the insured's home for the adjuster to inspect. Some insurance companies require independent testing be performed on carpet samples. National Account Program Bulletins will outline specific program requirements.
11. After Emergency Services are completed, refer to the Program Bulletin for the specific insurance company to determine how restoration authorization is to be obtained. **Some accounts call for emergency service only; therefore, do not hard sell restoration without first obtaining approval from the adjuster. Franchisees can be suspended from servicing National Accounts if unauthorized upselling occurs.**

V. Pricing

1. SERVPRO National Accounts' suggested pricing guidelines and subregion pricing guidelines are provided as an acceptable standard for job pricing. Pricing for work performed on National Accounts jobs should be consistent with the pricing guidelines based on the wishes of each insurance client as reflected in the National Accounts Program Bulletins. Upon preparation of the bill, the Franchisee should compare the price to the specific insurance company approved guidelines, if applicable or provided. **If the pricing for a particular service falls outside the guidelines, communicate with the assigned adjuster immediately to explain the pricing variance. In addition, attach a written description of the pricing variance to the bill.** The Franchisee is responsible for addressing individual pricing issues directly with the insurance company.
2. Proper billing procedures and collection of deductibles will vary by insurance company. Refer to the National Accounts Program Bulletin. If in doubt, treat the loss as a noncovered event. **DO NOT EXPECT SERVPRO to ensure payment!**
3. SERVPRO maintains a Commercial National Accounts pricing guideline for use on commercial jobs.

VI. Guarantee

The SERVPRO Franchise Customer Satisfaction Guarantee is as follows:

Customer satisfaction is guaranteed 100%. We guarantee the workmanship of the emergency service or restoration work performed will be of the quality generally accepted in the emergency property damage mitigation services industry. We will provide reservice at no additional cost to the insured for up to one year. This provision excludes reservice associated with normal resoiling and “wear and tear.”

Certain insurance companies that have written contracts with SERVPRO may have different types and terms of guarantees and warranties. Franchisees that qualify to participate and choose to participate in these select accounts will be bound by specific contract terms and conditions which may periodically change and vary by company.

VII. Quality Assurance Program/Service Resolution

Customer complaints or problems must be dealt with by the Franchisee immediately. Unresolved complaints or problems, along with the customer’s resolution demands, must be immediately communicated by phone, e-mail or fax to the assigned Trainer/Director, the SERVPRO National Call Center and the assigned adjuster. The assigned Trainer/Director must participate in the customer service resolution process as defined in the accompanying escalation process with the affected Franchisee on all unresolved customer complaints and notify the SERVPRO National Call Center of the resolution progress. **Remember, the positive resolution of a customer complaint can create a loyal customer for years. The problem left unattended can cost all Franchisees all jobs from a National Insurance Client. Please make a best effort on all complaint resolution issues.**

Customer Complaint Registration

All customer complaints registered with any SERVPRO Corporate staff member are documented and must be forwarded to the Quality Assurance Coordinator (QAC) for resolution processing within two (2) business hours.

Initial Response

The QAC inputs all pertinent information into the SERVPRO Quality Assurance Program and creates a Service Resolution Report within four business hours of receipt of notification. The Service Resolution Report is e-mailed to the Franchisee, Trainer/Director, Field Operations Manager, National Accounts Manager and National Accounts Coordinator.

The QAC sends a letter to the customer/complainant documenting the complaint by the close of the next business day. The letter is intended to acknowledge receipt of the complaint and restate in writing the customer/complainant concerns. A copy of the customer complaint acknowledgment letter and Service Resolution Report form is sent to the cited Franchisee, Trainer/Director, Field Operations Manager, National Accounts Manager and National Accounts Coordinator.

Resolution Events

Level One - The cited Franchisee is expected to reach resolution with the customer within five business days of receipt of the Service Resolution Report. Within this initial five-day period, the Franchisee is required to respond in writing details of how they reached resolution or a plan of action to reach resolution. Fax or e-mail this response to the QAC and Distributor.

The Call Center Manager reviews underlying documentation to determine if the complaint is resolved. If resolved, the QAC documents the resolution in writing to the complainant noting closure of the file at Corporate and copies the Franchisee, Distributor, Field Operations Manager, National Accounts Manager, and National Accounts Coordinator. If the Associate does not report satisfactory resolution to the QAC, the QAC will elevate the complaint to Level Two.

Upon closure of the file, the Call Center Manager will review the underlying documentation and with direction of the Distributor determine if the complaint was a result of a deviation from SERVPRO National Accounts Guidelines and issue an infraction, if necessary.

Additionally, if no response from the Franchisee is received within the allotted time, the Franchisee will be temporarily suspended from receiving National Accounts job lead referrals.

Level Two – If the complaint was not resolved and/or the response to Service Resolution Report was not received by the QAC within five (5) business days, the QAC will contact the Franchisee's Distributor and request intervention. The Distributor is required to contact the Franchisee and customer to attempt to find a means to remedy the complaint. If a resolution cannot be reached, the Distributor is to review all job documentation from the Associate. Additionally, the Distributor will, if necessary, schedule an appointment to meet the customer at the

job site and review the situation first hand. All information concerning the status of the complaint, actions to date and/or plan for remedy must be documented in writing and communicated to the QAC within ten (10) business days. The Distributor and Franchisee may contact the insurance company claims representative if the Franchisee views the customer's request as unreasonable. Discussions between the Franchisee, the insurance company contact and the Distributor may help resolve the problem.

Upon resolution, the Distributor contacts the QAC in writing to validate the complaint has been satisfactorily closed. The QAC assembles all documentation and submits to the Call Center Manager for review for closure. If the Distributor does not report satisfactory closure to the QAC, the QAC will escalate the complaint to Level Three.

Upon closure of the file, the QAC will send a written confirmation to the complainant of resolution. The Call Center Manager, with direction from the Distributor, will review the underlying documentation and determine if the complaint was the result of a deviation from SERVPRO National Accounts Guidelines and issue an infraction, if necessary.

Level Three – If resolution cannot be reached, the Distributor is expected to have the Franchisee send written correspondence to the complainant outlining the Franchisee's position and recommending mediation. The written correspondence is to be mailed to the complainant with a copy to Corporate. The written correspondence must be received by Corporate within five (5) business days from the date it is determined the complaint cannot be resolved.

If the QAC does not receive the letter within five (5) business days, the Franchisee will be temporarily suspended from receiving National Accounts job leads until such time as the letter is received.

If the Associate refuses to mediate, they will be suspended from the National Accounts program until the Distributor completes the reinstatement process and the Franchisee agrees to mediation. The QAC will send a letter to the complainant recommending the complainant pursue mediation.

Once the letter has been sent to the complainant, the file is closed; however, the Field Operations Manager, in cooperation with the Franchisee and Distributor, is responsible to verify the outcome of mediation. The QAC will document the outcome of mediation in the file.

Upon closure of the file, the Call Center Manager, with direction from the Distributor, will review the underlying documentation and determine if the complaint was the result of a deviation from SERVPRO National Accounts Guidelines and issue an infraction or suspension, if necessary.

Level Four – In the event a service concern is not resolved and results in litigation, the complaint will be closed as unresolved, in litigation.

Special Circumstances

Insurance Company Complaints - If a complaint is received from an insurance company, which pertains to a deviation from the National Accounts Guidelines, a Notification of Infraction or suspension from the Program (as requested by the insurance company) will be issued to the Franchisee. The Quality Assurance Program process will be followed if requested by the insurance company.

Pricing Issues – If a complaint is the result of a pricing issue, the Distributor will be asked to review the Franchisee’s job file and determine if the pricing is within Guidelines and justifiable under the circumstances.

VIII. Warnings, Infractions and Suspensions

SERVPRO has implemented a process to measure deviations from National Accounts Guidelines. Certain deviations will result in an immediate temporary suspension (“red light”) from receiving job lead referrals. Red light status may be deactivated by correcting the deviation.

Compliance with claims dispatch and administration will be measured daily and summarized in the *ScanER[®]XL* Compliance Report on a quarterly basis. Certain administrative deviations will result in an immediate red light status until the deviation is corrected. Additionally, overall compliance will be measured quarterly and Franchisees failing to meet the required performance standard will be suspended from National Accounts.

Suspension for noncompliance with performance standards will be for 30 days on the first offense, 90 days on the second offense and six months on the third offense.

Franchisees suspended from National Accounts are required to complete a reinstatement process with their Trainer/Director in order to obtain active status.

In instances of gross misconduct, as determined by Servpro Industries, Inc., one deviation may result in suspension. In many instances, minor deviations may be resolved and will not necessarily result in a suspension if they are resolved quickly.

Suspensions may be requested or initiated by insurance companies, SERVPRO Field Operations Division Manager, National Accounts Manager, SERVPRO National Call Center Manager or by the assigned Trainer/Director.

National Accounts Program Agreement

<u>Performance Expectation</u>	<u>Result of Deviation</u>
<p>1. The following qualifications are met:</p> <p>A) Franchisee meets all insurance requirements, maintaining current insurance as required by the SERVPRO License Agreement, including commercial general liability; pollution liability; limited service and repair liability; vehicle liability; and workers' compensation coverage (or worker's compensation waiver on file if not applicable). (Attach proof of coverage.)</p> <p>B) Franchisee maintains a current Certificate of Insurance on file for all subcontractors listing Franchisee as additional insured evidencing a minimum of \$1 million in general liability coverage and workers' compensation of not less than \$500,000. A signed Agreement between Independent Contractors and the Franchisee is on file for each subcontractor in the Franchisee's office. (Reference Form Number 28548.)</p> <p>C) Franchisee performs and documents background checks on all employees.</p> <p>D) Franchisee is in good financial standing and all valid financial obligations to Corporate, Distributors and vendors are current and paid timely.</p> <p>E) Franchisee has a completed Business Resume on file.</p> <p>F) Franchisee adheres to SERVPRO's minimum required computer hardware standards and utilizes the most current version of all SERVPRO mandated software or software prescribed by National Accounts Program Bulletins or Client Service Guidelines. Franchisee must utilize mandated electronic communication systems.</p> <p>G) Franchisee has broadband connectivity.</p> <p>H) Franchisee resolves all customer complaints following the National Account Guidelines or guidelines prescribed by National Accounts Program Bulletins or Client Service Guidelines.</p> <p>I) Franchisee attends a minimum of 75% of available SERVPRO meetings, including, but not limited to Convention, Regionals, Area Meetings and Business Review Visitations.</p>	<p>Red light.</p> <p>Red light.</p> <p>Red light.</p> <p>Corporate: red light. Third party: 2 in 90 days/suspend.</p> <p>Red light if not complete by July 15, 2005.</p> <p>Red light.</p> <p>Red light.</p> <p>Red light for not following guidelines. QAP: 3 complaints in 90 days/suspend.</p> <p>Greater than 25% absence/suspend.</p>

<u>Performance Expectation</u>	<u>Result of Deviation</u>
<p>2. The following claim dispatch/administration is adhered to:</p> <p>A) Phone is answered between the hours of 8:00 a.m. and 5:00 p.m. local time Monday through Friday by a Franchise employee.</p> <p>B) Franchisee commits to 24-hour Emergency Response, including:</p> <ul style="list-style-type: none"> i) Accepts all losses from the SERVPRO National Call Center. ii) Responds to all calls from the SERVPRO National Call Center. iii) Maintains active status for job lead acceptance from the SERVPRO National Call Center. <p>C) Maintain compliance with 1-4-8.</p> <p>D) Upload appropriate job files which include all required documentation including, at minimum: estimate, invoice, pictures of front of structure and affected area, authorization to perform signed by insured or authorized representative, equipment monitoring report when necessary, customer information form and certificate of satisfaction signed by insured or authorized representative.</p> <p>E) Upload completed standard water <i>ScanER[®]XL</i> job file within ten (10) business days. Upload completed <i>ScanER[®]XL</i> job file for all other job types within twenty-five (25) business days.</p> <p>F) Correct all rejected job files within two (2) business days.</p>	<p>2 offenses in 90 days/suspend.</p> <p>2 offenses in 90 days/suspend.</p> <p>Score of less than 75% on <i>ScanER[®]XL</i> Report/suspend.</p> <p>Red light.</p> <p>Red light. 3 red lights in 90 days/suspend.</p> <p>Red light. 3 red lights in 90 days/suspend.</p>
<p>3. Franchise owner and employees follow all job processes, including:</p> <p>A) Franchisee vehicles are in accordance with the SERVPRO vehicle appearance policy.</p> <p>B) Franchisee adheres to the SERVPRO Uniform policy.</p> <p>C) Franchisee uses only SERVPRO-approved cleaning products and equipment.</p> <p>D) Complete all training programs required by Servpro Industries, Inc.</p>	<p>Red light.</p> <p>Red light.</p> <p>Red light.</p> <p>Red light.</p>
<p>4. Franchisee adheres to price guidelines as prescribed by National Accounts Guidelines or National Accounts Program Bulletins or Client Service Guidelines.</p>	<p>2 offenses in 90 days/suspend.</p>

IX. Suspension/Reinstatement Process

Franchisees under suspension may be eligible to complete a reinstatement process administered by the assigned Trainer/Director or the Field Operations Department. **The reinstatement process will include an overall evaluation of the Franchise operation, which may result in testing and/or retraining until the Franchisee is able to fulfill all the requirements listed on the National Accounts Program Agreement.**

Insurance companies reserve the right to assign claims to particular Franchisees, as well as dictate that certain Franchisees not receive claims. Assignment of claims to a specific Franchisee and suspensions initiated by the insurance companies must be initiated in writing by insurance company management and will be subject to their specific resolution parameters, and are the responsibility of the Franchisee to resolve.

Franchisees with suspensions imposed or requested by insurance companies may not be eligible for the reinstatement procedures defined herein.

Franchisees on suspension will not be entitled to receive territorial commissions, if any, for National Accounts work done in their territory by other Franchisees due to their suspension from National Accounts. A suspension from National Accounts does not automatically apply to non-National Accounts work. Territorial Policy includes provisions for suspension of a Franchisee in other aspects of the Franchisee operation.

The rights and remedies in this bulletin are not exclusive. SERVPRO reserves all rights and remedies under the Franchisee's applicable license agreement.