

SERVICE

Equipment Protection Plan

Global

Machine

Used Equipment Protection Plan – Individual

► Overview

The purpose of this bulletin is to provide an overview of the Equipment Protection Plan (EPP) available for Cat® used machines sold by Cat dealers.

There are several EPP qualifying machine status classifications;

- **Rental Fleet** – A Cat machine that is currently in the dealer’s inventory and is available for rent.
- **Coverage Continuation** – A Cat machine that is 60 days or less from the end of an active EPP (new or used) OR that had an EPP that has not been expired by age or hours more 30 days.
 - For Australia, Coverage Continuation is managed by Willis, with Cat Financial Insurance Services underwriting and administering policies. Coverage Continuation in Australia includes stand-alone EPP sales (independent of a machine sale/purchase) and does not require an existing active policy.
- **Trade in/Other** – A Cat machine in dealer inventory that was acquired through trade in or other purchase. A Cat machine that does not meet the definitions of any other classification.
- **Rental Rollout (Americas North Only)** – A Cat machine that is currently being sold out of the dealer’s rental fleet, has an active EPP, the current coverage will be left in place and another EPP coverage will be added and start when the current coverage expires and reaches its age or hour limit.

EPP coverage options available for used machines;

- Powertrain (PWT) - See Bulletin 8.01.
- Powertrain + Hydraulics (P+H) - See Bulletin 8.01 and 8.02.

Coverage terms range from 3 to 60 months with hour options from 250 to 10,000 hours, depending on model age and current service meter units (SMU).

EPP enrollments must be completed within 30 days of the EPP coverage start date.

EPP covers parts and labor repair costs on eligible machine failures for covered powertrain and/or hydraulic components, depending upon the EPP coverage type. **EPP coverage applies only to failures caused by defects in materials and workmanship.** The intent of EPP coverage is not to restore the product to a like-new condition, but rather to restore the product to its operating condition just prior to the covered failure.

► 08.50-01 (01/16)
<https://warranty.cat.com/wtyguide>

► Indicates change.

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Dealer and Dealers are defined as any Cat Authorized Dealer or Cat Authorized Repair Representative.

Note: For enrolled machines, covered repairs may be performed by any authorized dealer. The Cat dealer is responsible for submitting the service claim for reimbursement.

EPP rates/fees for all available terms on all eligible models can be determined and obtained through [Quote Plus](https://epp.cat.com). (<https://epp.cat.com>)

You may also contact your Cat Financial Insurance Services Territory Manager (TM) or Area Sales Operations Manager (ASOM) with questions or send an email to the appropriate regional mailbox.

- Americas North – EquipmentProtectionPlan@cat.com
- Americas South – LACD.EquipmentProtectionPlan@cat.com
- Asia Pacific (APD) – APD.EquipmentProtectionPlan@cat.com
- Europe, Asia, Middle East (EAME) – EAME.EquipmentProtectionPlan@cat.com

Machine Eligibility

ELIGIBLE used machines are Cat machines that meet age and hour limits and are:

- Machines outside of the standard factory warranty (SFW) period.
- Machines that have undergone and passed a Dealer Owned Certified, TA-1, or similar inspection.
- Machines sold to an end-user (retail sale) within the dealer's service territory.
- Machines owned by a customer or dealer.
- Machines in good working condition.

Brazil Only:

- Machines originally manufactured in Brazil.

EXCLUSIONS:

- Machines NOT in good working condition.
- Machines sold in an "AS IS" condition.
- Machines already covered by another Caterpillar or Caterpillar Affiliate Warranty Plan.

Americas North Only:

- If the machine has been enrolled as result of the Caterpillar Used Equipment Services Inc. (CUESI) program, it is not eligible for coverage when either of the following conditions exist:
 - The machine is sold out of the dealer's parts and service territory.
 - The machine is not sold by the dealer to an end user, but to or by brokers, resellers, rental houses or non-Cat auction companies.

Brazil Only:

- Imported machines.

Inspections

All machines must be inspected and all inspections must be completed within the 30 days prior to the EPP coverage start date. Some exceptions are granted for machines with an active EPP at the time of the used machine sale. (See EXCEPTIONS/ADJUSTMENTS below.)

Acceptable inspections are:

- The Dealer Owned Certified inspection form which can be found on CatUsed.com[®] under the My CatUsed tab. (Choose the appropriate inspections type: 'Dealer Owned Certified'.)
- The Powertrain or both the Powertrain and Hydraulics sections of the TA-1.
- Other Cat Financial Insurance Services approved and appropriate dealer inspection.

A TA-2 inspection of major components is required if problems are identified in the TA-1, Dealer Owned Certified, or other approved inspection forms.

Each machine must undergo and pass one of the above listed inspections. Any items identified as not passing must first be repaired in order to qualify for used machine EPP. EPP does not reimburse for inspection fees

and all fees for inspections and necessary repairs are the responsibility of the dealer. It is the selling dealer's responsibility to see that the machine is properly inspected.

EXCEPTIONS/ADJUSTMENTS:

Dealer Rental Fleet Exception (Coverage Continuation/ Rental Rollout, where available): If the machine is currently in the dealer's rental fleet, is covered under one of Cat Financial Insurance Services EPP parts and labor programs, the coverage has not yet reached the applicable age or hour limit, and there will be no gap in coverage between the active policy and the Used machine EPP, no inspection is required. A dealer employee should obtain an hour meter reading on the date the currently active policy ends.

Customer Owned Machine Exception (Coverage Continuation, where available): If the machine is currently covered under one of Cat Financial Insurance Services EPP parts and labor programs, the coverage has not yet reached the applicable age or hour limit, there will be no gap in coverage between the active policy and the Used machine EPP, and the current machine hours (Service Meter Units – SMU) are as shown below, no inspection is required. A dealer employee should obtain an hour meter reading on the date the currently active policy ends.

- Compact Construction Equipment (CCE) – Less than 2,000 SMU (hours) at date of EPP enrollment.
- Building Construction Products (BCP) – Less than 3,000 SMU (hours) at date of EPP enrollment.
- Specialty – Less than 3,000 SMU (hours) at date of EPP enrollment.
- Other – Less than 5,000 SMU (hours) at date of EPP enrollment.

CCE	BCP	Specialty
CTL	BHL	ACOM (CB434-CB564)
CWL (901-914, IT14)	SHEX (311-319)	SCOM (CS/CP 323-76)
MHEX (301-308)	STTT (D3-D5K)	UCOM (CB14-CC34)
MTL	SWL (924-930)	PNEU (PS 150-360)
SSL	TH (TH62-TH580)	LAP (AP600-AP1055)
	TL (TL642-TL1255)	

Dealer Used Machine Inventory Adjustment: If the machine is currently in the dealer's Used machine inventory, the coverage start date is more than 30 days from the last inspection date and there is no significant change in machine SMU, the dealer may verify that the original inspection is still an accurate representation of the machine and then adjust/update the hours and inspection date to coincide with the current SMU reading and date. (Significant change is a difference of more than 50 additional hours.) No new or additional inspection is required.

Inspection files of the selling dealer are subject to audit. Further, the dealer is obligated to forward a copy of the inspection if directed to do so.

Dealer's Responsibilities

- Confirm that the machine has not experienced a failure prior to the EPP coverage start date. If a failure exists, the machine must be repaired prior to registering it for EPP.
- Repair machines using the most economical method, and install only genuine Cat parts.
- Keep on file the applicable inspection and all parts and labor invoices relative to required repairs.
- Pay for any loss in excess of what is covered by EPP if broader coverage was offered to the customer.
- Register each machine for EPP and pay applicable fees.

Covered Components

For a summary of Service Management Control System (SMCS) codes and major component categories covered under EPP, refer to the appropriate Bulletin(s) based on the effective EPP coverage type. (Powertrain - Bulletin 8.01 and/or Hydraulics - Bulletin 8.02) Parts and components replaced during the EPP term are covered for the remainder of the current EPP coverage period. Coverage for all parts and labor ceases when the specified time or hour limitation is reached, regardless of when the part was repaired or replaced. These bulletins are located at the Global Warranty website at <https://warranty.cat.com>.

► Parts and Labor

- Parts: Qualifying Cat parts are reimbursable.
 - Americas North and South - Reimbursable at **D/N + 33%**. (Prior to January 1, 2016, some contracts were underwritten with “Customer List” as the defined reimbursement rate rather than Dealer Net + 33%. For those contracts, claims will continue to be honored at Customer List through the duration of their specified term.)
 - APD and EAME – Reimbursable at D/N+10%.
- Labor: Reimbursable at registered dealer sell rate for EPP qualifying claims.

Service Letters - Product Improvement Programs (PIP), Product Support Programs (PSP)

All Service Letters (PIPs, PSPs) performed on machines covered by the Used Machine EPP, must be claimed under the appropriate Service Letter. Do not claim these repairs under the Used Machine EPP. Refer to Bulletin 1.16 for claiming practices on both pre-failure and after-failure repairs under PIPs and PSPs.

Wear-out and Extent of Coverage

Wear-out and normal deterioration are not considered a failure and are not covered. A wear-out occurrence is not due to defects in material or workmanship.

Emissions

See Bulletin 7.01 for complete details regarding emissions warranty. See Bulletin 8.01 for an explanation of emissions related Powertrain components.

Exclusions and Limitations

- Operator abuse, neglect, improper or abusive use of the machine, including but not limited to the failure to perform the recommended preventive maintenance as specified in the Operation and Maintenance Manual.
- Applications not approved by Caterpillar.
- Operation beyond the design and/or capacity of the machine.
- Wear-out and normal deterioration in performance, accelerated wear-out of components due to operating technique or application; including but not limited to oil consumption and gasket or seal leaks.
- Chemical corrosion and physical or mechanical erosion.
- Unauthorized fuel setting changes.
- Acts of war, vandalism, riot, theft, explosion, collision, fire and/or any other act of nature, person or vermin.
- Operating equipment with improper fuel/fluids or filters, incorrect fuel/fluid levels or contaminated fuel/fluid.
- Modifications, unless requested and authorized by Caterpillar and performed at an approved repair facility.

- Operating at performance settings other than the standard Caterpillar specification.
- Physical damage.
- Any repair if the service meter has been stopped, altered, or misrepresents the equipment's actual usage.
- Transportation, towing costs or field service travel expenses.
- Loss of time, inconvenience, downtime, downtime-related expenses or other incidental or consequential loss that results from a defect in material workmanship.
- Storage or miscellaneous shop supplies.
- Mechanical breakdown resulting from the failure of a non-covered component.
- Freight and taxes.
- Any costs covered by any warranty of the manufacturer, including emissions warranty or repairer's guarantee, regardless of whether the warranty or guarantee is honored.
- Performance complaints, including but not limited to, adjustments to fuel settings or electronic unit ejectors to comply with emissions standards under the Environmental Protection Agency or similar national, federal, provincial or state law.
- Any costs incurred for the manufacturer to comply with the Environmental Protection Agency or similar national, federal, provincial or state law.

Enrollment

General:

- EPP enrollment is the dealer's responsibility.
- Except for Rental Rollout, the EPP enrollment must be submitted within 30 days of the requested EPP coverage start date.
 - Rental Rollout enrollments must be completed prior to current coverage expiration but no more than 60 days from quote date.
- The EPP coverage start date must be after but within 30 days of the inspection date. (Excludes Rental Rollout)
- All enrollment exception requests will be reviewed on an individual case-by-case basis.
- Dealer must keep on-file a copy of the machine inspection for verification if requested by Caterpillar.

Enrollments may be completed using the [Quote Plus](#) quoting and enrollment tool or through the Caterpillar Corporate Claims System (Claims) at <https://claims.cat.com>.

Validating Coverage

Dealers can verify EPP coverage in the Service Information Management System (SIMSi). The Sales & Service screens will show the coverage details with other relative information.

Resold or Transferred Machines

EPP is transferrable when:

- The transfer is within the original selling dealer's service territory, at the dealer's discretion.
 - No notifications are needed.
- The transfer is from one service territory to another within the same Caterpillar defined Region (Americas North, Americas South, APD and EAME) and **IF** agreed to by the original EPP enrolling dealer.
 - An email to the appropriate EPP mailbox from the original EPP enrolling dealer that states they request and agree to the transfer of EPP to the other dealer is sufficient notice to initiate the transfer.

EPP is not transferrable when:

- The transfer is from one Caterpillar Region to another. (Americas North, Americas South, APD or EAME)

➤ **Summary of Reimbursement Practices under EPP - Individual Used**

Repair Expense	Allowance & Rate
Parts	Americas North and South - Reimbursable at D/N + 33% (Customer List prior to January 1, 2016). APD and EAME – Reimbursable at D/N+10%.
Service Items	If made unusable: Americas North and South - Reimbursable at D/N + 33% (Customer List prior to January 1, 2016). APD and EAME – Reimbursable at D/N+10%.
Repair Labor	Reimbursable at the Dealer's Registered Sell Rate, unless otherwise specified.
Parts Service Charges	Reimbursable.
Parts Salvage Labor	Reimbursable at Warranty Labor Rate, if justified.
Outside Repair Expenses	Reimbursable at Cost.
Shop Supplies	Not Reimbursable as an itemized expense
Overtime Labor Rate, Hauling Costs, Freight Charges, Travel Time and Mileage, Meals and Lodging.	Not Reimbursable.