

CUSTOMER INSURANCE CLAIMS

- From time-to-time, some Daniel's customers who carry insurance on their Daniel's charge accounts, need to file an INSURANCE CLAIM.
- Daniel's store associates are responsible for filing customer insurance claims.
- The SMC Insurance/Customer Service department works closely with the Insurance Company to ensure that legitimate customer claims are paid.
- Customer insurance claims are paid only on current, up-to-date accounts.
- When a Daniel's associate or manager has a question about insurance coverage, their questions should be directed to the SMC Insurance/Customer Service department at 310-665-2110.

While the Customer Service department can answer questions about insurance claims, customers should not be directed to this department. In all cases, the **associates in the store should do everything possible to help the customer.** If the associate is unsure how to proceed or the customer is not satisfied, the associate should contact their district manager or Customer Service.

- Insurance claims fall into one of four categories:

Death, Disability, Involuntary Unemployment or Property (theft, robbery or destruction).

- Approved claims, except property theft, robbery or destruction result in the insurance company making a designated number of account payments. Theft, robbery or destruction claims result in merchandise replacement only (no account payments are made and a deductible may apply).
- It is not up to Daniel's to decide whether or not an insurance claim is legitimate and whether the claim will be approved. These decisions are made by the appropriate insurance company.

INSURANCE CLAIM LOG

When any customer insurance claim is filed, the associate must make an entry on the INSURANCE CLAIM LOG, located in the store's Operations Drawer.

Pictured below is an accurately completed Insurance Claim Log.

Customer Name	Account #	Claim Type	Filing Date	Initial	Resolution
William Bennett	172582478	Theft	1/7/98	LB	Replaced merch
Oscar Suarez	179654324	Disability	2/18/98	MR	Denied
Vilma Magdalen	178437946	Theft	2/24/98	MR	Replaced merch
Lisa Smith	179457342	Involuntary unemployment	3/2/98	LB	Ins. paid
Jeff Sanchez	1764777385	Disability	3/13/98	MR	
Ruben Harper	174365487	unemploy	3/22/98	MR	
	①				②

Instructions for completing the Insurance Claim Log are as follows:

- 1) Enter customer's name, account number, the type of insurance claim being filed and the associate's initials.
- 2) After learning the end result of the insurance claim, whether it was paid or declined by the insurance company, enter the resolution.

DEATH CLAIM PROCESSING

When a DEATH CLAIM is filed, the following procedures are followed:

- 1) Check the customer's account to make sure that this customer does actually qualify for the insurance benefit being requested.
- 2) Gather required documentation including:
 - A) Signed copy of original insurance application, or Daniel's credit application with insurance box checked off.
 - B) Transaction history printed from POS (F-8 All).
 - C) Certified copy of death certificate.
 - D) Completed DEATH CLAIM REPORT (pictured below).
- 3) Make an entry on the Insurance Claim Log.
- 4) Make a fax copy of all documentation and place in Insurance Claim Log file in Operations' Drawer. Discard after claim is resolved.
- 5) Mail originals to SMC, Attn: Insurance Department.

Pictured below is an accurately completed DEATH CLAIM REPORT.

VOYAGER INSURANCE COMPANIES-ADMINISTRATIVE OFFICES P.O. BOX 661525 ARCADIA, CALIFORNIA 91066																																										
CLAIMANT'S STATEMENT AND INDEBTEDNESS RECORD																																										
CREDITOR TO COMPLETE AND SIGN																																										
DEATH CLAIM <u>JOSE AGUILERO</u>																																										
NAME OF DEBTOR <u>1137 E. 76TH ST. LOS ANGELES CA 90001 3/1/98</u>																																										
ADDRESS OF DEBTOR (Number and Street) (City) (State) DATE OF DEATH																																										
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I hereby certify that this is a correct record of the indebtedness and of the insurance of the above named debtor, insured under the above policy. Such insurance was in force upon the date of death.																																										
CREDITOR																																										
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CNG 11971																																										

DISABILITY CLAIM PROCESSING

When a customer files a DISABILITY CLAIM, the following procedures are followed:

- 1) Check the customer's account to make sure that this customer does actually qualify for the insurance benefit being requested.
- 2) Gather required documentation including:
 - A) Signed copy of original insurance application, or Daniel's credit application with insurance box checked off.
 - B) Transaction history printed from POS (F-8 All).
 - C) Completed DISABILITY CLAIM NOTICE (pictured below).
- 3) Make an entry on the Insurance Claim Log.
- 4) Make a fax copy of all documentation and place in Insurance Claim Log file in Operations' Drawer. Discard after claim is resolved.
- 5) Mail originals to SMC, Attn: Insurance Department.

Pictured below is an accurately completed DISABILITY CLAIM NOTICE.

DISABILITY CLAIM NOTICE			
AGENT: Mail this completed form along with copy of sales contract and ledger to:			
MAYAN FINANCIAL INSURANCE SERVICES, INC. P.O. Box 3455 Arcadia, California 91066 818-445-4282 ... 818-445-4283			
Name of Insured:	<u>JOSE AGUILERO</u>		Date <u>4.17.98</u>
Address:	<u>1137 E. 76TH ST.</u> <u>CALIFORNIA 90001</u>		City <u>LOS ANGELES</u>
Effective date of policy:	<u>12.23.97</u>	Term <u>R12</u>	Expires <u>12.23.98</u>
Monthly Benefit:	<u>\$45.00</u>	Date of Disability <u>3.10.98</u>	
Check whether sickness or accident: SICKNESS _____		ACCIDENT <input checked="" type="checkbox"/>	
Comments:	Submitted by: <u>DANIEL'S JEWELERS (101)</u>		
	Agent _____		
11973	Address <u>BELL GARDENS, CA 90201</u>		

UNEMPLOYMENT CLAIM PROCESSING

When a customer files an UNEMPLOYMENT CLAIM, the following procedures are followed:

- 1) Check the customer's account to make sure that this customer does actually qualify for the insurance benefit being requested.
- 2) Gather required documentation including:
 - A) Signed copy of original insurance application, or Daniel's credit application with insurance box checked off.
 - B) Transaction history printed from POS (F-8 All).
 - C) Completed UNEMPLOYMENT CLAIM NOTICE.
 - D) Copy of claim filed with State Unemployment Board.
- 3) Make an entry on the Insurance Claim Log.
- 4) Make a fax copy of all documentation and place in Insurance Claim Log file in Operations' Drawer. Discard after claim is resolved.
- 5) Mail originals to SMC, Attn: Insurance Department.

Pictured below is an accurately completed UNEMPLOYMENT CLAIM NOTICE.

UNEMPLOYMENT CLAIM NOTICE			
AGENT: Mail this completed form along with copy of sales contract and ledger to:			
MAYAN FINANCE & INSURANCE COMPANY, INC. P.O. Box 661525 Arcadia, California 91066 818-445-4282			
Name of Insured:	JOSE AGUILERO		Date: 4.17.98
Address:	1137 E. 76TH ST. CITY LOS ANGELES CALIFORNIA 90001		
Effective date of policy:	12.23.97	Term: R12	Expires: 12.23.98
Monthly Benefit:	\$ 4500	Date of Unemployment:	3.10.98
Comments:	GOT LAID-OFF		
Submitted by:		Agent: DANIELS101	
		Address: BELL GARDENS, CA 90201	

PROPERTY THEFT, ROBBERY, DESTRUCTION

CLAIM PROCESSING

When a customer files a PROPERTY THEFT, ROBBERY DESTRUCTION CLAIM, the following procedures are followed:

- 1) Check the customer's account to make sure that this customer does actually qualify for the insurance benefit being requested.
- 2) Gather required documentation including:
 - A) Signed copy of original insurance application, or Daniel's credit application with insurance box checked off.
 - B) Transaction history printed from POS (F-8 All).
 - C) Completed SHORT FORM REPORT, through #6 and signed by customer (pictured below).
 - D) Copy of police report showing item(s) taken or destroyed.
- 3) Make an entry on the Insurance Claim Log.
- 4) Make a fax copy of all documentation and place in Insurance Claim Log file in Operations' Drawer. Discard after claim is resolved.
- 5) Mail originals to SMC, Attn: Insurance Department.

Pictured below is an accurately completed SHORT FORM REPORT.

VOYAGER INSURANCE COMPANIES ADMINISTRATIVE OFFICES P.O. Box 861525 Arcadia, California 91008 SHORT FORM REPORT				
Master Policy Number	Issued To	Amount of Insurance	Certificate Issued	Expires
		\$	12/23, 1997	12/23, 1998
PURCHASER'S NAME Mr. <input checked="" type="checkbox"/> Mrs. <input type="checkbox"/> Miss <input type="checkbox"/> Ms. <input type="checkbox"/>		Account No. 01497186		
JOSE AGUILERO		Social Security# 553-11-0083		
1. A loss occurred on the 1ST day of MARCH, 1998				
2. Home Address 1137 E. 76TH ST. LOS ANGELES, CA 90001				
3. How did loss happen? (Give Details) BURGLARY				
4. If Fire: Was Fire Dept. Notified? Station				
5. If Theft: Were Police Notified? YES Police Complaint Number 019678				
DESCRIPTION AND PROOF OF LOSS				
6. List <input type="checkbox"/> Each item damaged or stolen <input checked="" type="checkbox"/> Each item and cost on original Security Agreement				
105-16532 (LOS. DIA. RING) - \$99.95				
205-03280 (WATCH) - \$155.00				
7. Estimated cost to repair or replace parts damaged or stolen? \$				
8. Who estimated Cost? (Be sure to attach Estimate or repair invoice)				
9. Has merchandise been repaired and/or parts replaced? At cost of \$				
Dealer's estimate or invoice must be attached.				
10. THE WHOLE LOSS AND DAMAGE as stated \$				
Less Salvage or Depreciation \$				
11. THE AMOUNT CLAIMED under the above Certificate is \$				
DIRECTIONS TO PAY				
Upon, in the event, and in consideration of payment (not to exceed the amount claimed above) to _____ by VOYAGER INSURANCE COMPANIES,				
the undersigned hereby releases and discharges the said Company's liability under its Policy for the loss described above, and the undersigned further agrees to				
hold the said Company, its successors or assigns, free and harmless from any further claim for the loss described. Said loss did not originate by any act, design or				
procurement of the Purchaser nor on the part of any one having any interest in the property involved or in said Policy. Nothing has been done to violate the conditions				
of the Policy or render it void. All articles mentioned herein were destroyed, stolen, or damaged as represented, and belonged to and were in the possession of the				
said Purchaser at the time of said loss. No property served has been concealed in any manner and no attempt has been made to deceive the said Company as to the				
cause, extent, or particulars of said loss.				
This Statement is made under the Penalties of Perjury and/or Fraud.				
In testimony whereof the undersigned has hereunto executed this instrument and set his hand and seal this 17TH day				
of APRIL, 1998.				
Sign Here: Jose Aguilero				
FOR YOUR PROTECTION CALIFORNIA LAW REQUIRES THE FOLLOWING TO APPEAR ON THIS FORM: SEE IT IS UNLAWFUL TO: (a) PRESENT OR CAUSE TO BE PRESENTED ANY FALSE OR FRAUDULENT CLAIM FOR THE PAYMENT OF A LOSS UNDER A CONTRACT OF INSURANCE; (b) PREPARE, MAKE, OR SUBSCRIBE ANY WRITING, WITH INTENT TO PRESENT OR USE THE SAME, OR TO ALLOW IT TO BE PRESENTED OR USED IN SUPPORT OF ANY SUCH CLAIM. EVERY PERSON WHO VIOLATES ANY PROVISION OF THIS SECTION IS PUNISHABLE BY IMPRISONMENT IN THE STATE PRISON NOT EXCEEDING THREE YEARS, OR BY FINE NOT EXCEEDING ONE THOUSAND DOLLARS, OR BOTH.				

INSURANCE REPLACEMENT GUIDELINES

(Property Claims)

- Legitimate theft claims result in replacing the customers' merchandise.
- Insurance replacement is not done until the store receives a Replacement Authorization from SMC (which SMC receives from the insurance company) and the customer comes in the store to claim their insurance replacement.
- A \$100 deductible is required for authorized property claims that involve theft (i.e. a loss when there is no sign of forced entry or excessive force). Losses from an automobile, when authorized, are always considered “theft.”
- The preference is to replace the authorized item with the exact same item.

If the exact item is not available, or if the customer wants to select different merchandise, the customer may choose different merchandise, providing the new merchandise is in the same merchandise category (i.e. diamond ring to replace a diamond necklace, gold chain to replace a gold bracelet, etc.).

- Insurance replacement merchandise may be released to Daniel’s account holder or co-borrower only. If necessary, check the customer S-File to verify that the person receiving merchandise has signed on the account.

INSURANCE REPLACEMENT AUTHORIZATION

Pictured below is an example of a Customer Insurance Replacement Authorization that is forwarded to the store from SMC. When the customer owes a deductible it is stamped on this form.

COLLECT \$100.00 DEDUCTIBLE		SHERWOOD MANAGEMENT CO., INC. CUSTOMER INSURANCE REPLACEMENT AUTHORIZATION		AUTH # <u>09006</u> CLAIM # <u>08014</u>	
CUSTOMER NAME: <u>Campbell, Latoya</u>		STORE # <u>226</u>		DATE OF LOSS <u>7/10/97</u>	
CUSTOMER ACCOUNT NUMBER <u>26102194</u>					
<p>The above referenced claim has been honored. You must call and notify the customer of this authorization. Please refer to the instructions on the reverse side of this form for replacing the customer's merchandise with identical piece(s). Complete instructions are in your operations file with your claim forms, be sure to refer to them or call your office coordinator with any questions you may have on insurance claims.</p>					
Authorized Item	Original Selling price	Replacement Item	Current Selling price		
1. <u>404-21471</u>	<u>\$69.87</u>			COLLECT \$100.00 DEDUCTIBLE	
2. <u>174-01712</u>	<u>\$299.95</u>				
3. _____	_____				
4. _____	_____				
5. _____	_____				
6. _____	_____				
Authorization by: <u>W. Yharania</u> Date <u>9/9/97</u> Replacement handled at store by: _____ Replacement Receipt Number: _____					
HOW TO HANDLE THE PAPERWORK 1. Have the customer sign and date the POS CHARGE SALE RECEIPT to accept the merchandise being delivered. Give the customer the pink copy of the handwritten receipt. NOTE: Customer does not receive a POS receipt. 2. Attach the <u>original copy of the authorization form</u> to the <u>pink POS receipt</u> . Return these to customer service. 3. Attach the <u>original copy of the authorization</u> to the <u>white POS receipt</u> and <u>white handwritten receipt</u> and file them with the daily work going to SMC (whites). Be sure all paperwork is clearly marked <u>INSURANCE REPLACEMENT</u> .					
COLLECT \$100.00 DEDUCTIBLE					

INSURANCE REPLACEMENT LETTER

Pictured below is an example of an Insurance Replacement Letter a customer would receive at home approving their insurance replacement.

Note - If the customer owes the \$100 deductible, it will be stated on this letter.

VOYAGER INSURANCE COMPANIES ADMINISTRATIVE OFFICES P.O. BOX 661525 ARCADIA, CALIFORNIA 91066	
	CLAIM NO. <u>Property</u>
Latoya Campbell 254 E. Washington Bl. Pasadena, CA 91104	September 2, 1997
 Dear Ms. Campbell:	
Your claim filed with the Voyager Insurance Companies has been processed and approved under a theft coverage, as noted in your Certificate of Insurance.	
Because this is considered a theft, a \$100.00 deductible is applicable for this type of loss. Please remit that amount to Daniel's Jewelers so they may make arrangements to replace your merchandise.	
Very truly yours,	
Voyager Insurance Co.	
Claims Department	
cc: Daniel's Jewelers-#26102194	

INSURANCE REPLACEMENT PROCEDURES

-- EXACT SAME MERCHANDISE --

When authorization is received to process an insurance replacement, and the customer chooses the **exact same merchandise**, the below instructions are followed:

- 1) *Collect customer's Insurance Replacement Authorization.*
- 2) *Complete a handwritten receipt for the exact same merchandise only (different merchandise selected is handled on a separate sales slip, see next page) being replaced.*
- 3) *If applicable, collect required deductible and run deductible through POS (POS Manual, p. 108).*
- 4) *Process the replacement transaction through the POS following Charge Sale procedures. Enter zero (\$0.00) for the selling price of the item(s) being replaced.*
- 5) *Give customer merchandise (insurance replacement merchandise may be released to Daniel's account holder or co-borrower only) and have customer sign and date POS receipt. **Customer does not receive POS receipt.***
- 6) *Make a fax copy of customer's Replacement Authorization, then attach the original to the pink POS receipt. Send to SMC, Attn. Customer Service.*
- 7) *Attach the copy of the authorization form to the white POS receipt and white handwritten receipts to include with Daily Work.*
- 8) *Make sure that all paperwork (handwritten receipt, POS receipt, Replacement Authorization) is clearly marked **INSURANCE REPLACEMENT**.*

INSURANCE REPLACEMENT PROCEDURES

-- REPLACEMENT OF DIFFERENT ITEM(S) --

When authorization is received to process an insurance replacement, and the customer chooses **DIFFERENT MERCHANDISE**, the below instructions are followed:

- 1) *Collect customer's Insurance Replacement Authorization.*
- 2) *In order to determine the amount of merchandise credit the customer has, locate the ORIGINAL SELLING PRICE of the authorized item(s).*
- 3) *Have the customer select merchandise from the SAME MERCHANDISE DEPARTMENT (i.e. diamonds for diamonds, watches for watches, etc.) OR ANY DIAMOND PRODUCT for around the same retail as stated on the replacement authorization.*
- 4A) **IF THE PRICE OF THE ITEM(S) SELECTED ARE MORE THAN THE CUSTOMER'S REPLACEMENT AUTHORIZATION, the below instructions are followed:**
 - *Central Credit approval is needed for any difference added to the customer's account.*
 - *Complete a handwritten receipt only for the different merchandise (same merchandise replacements handled on a separate sales slip) being replaced.*
 - *If applicable, collect required deductible and record on POS (POS Manual, p. 108).*
 - *Process the replacement transaction through the POS following Charge Sale procedures. Enter the amount of the price difference for the selling price of the item(s) being replaced.*
- 4B) **IF THE ITEM(S) SELECTED ARE THE SAME or LESS THAN THE CUSTOMER'S REPLACEMENT AUTHORIZATION, the below instructions are followed:**
 - *Complete a handwritten receipt for the only for the different merchandise (same merchandise replacements handled on a separate sales slip) being replaced.*
 - *If applicable, collect required deductible and record on POS (POS Manual, p. 108).*
 - *Records the replacement transaction on POS following Charge Sale procedures. Enter the zero (\$0.00) for the selling price of the item(s) being replaced.*
- 5) *Have customer sign and date POS receipt and give customer merchandise. **Insurance replacement merchandise may be released to Daniel's account holder or co-borrower only. Customer does not receive POS receipt. However, with the ending balance changing on the customer's account, the customer may be given a fax copy of the POS receipt.***
- 6) *Make a fax copy of the Replacement Authorization and attach the copy to the white POS receipt and white handwritten receipts to include with Daily Work.*
- 7) *Attach original copy of the Replacement Authorization to the pink POS receipt. Send to SMC, Attn. Customer Service.*
- 8) *Make sure that all paperwork is clearly marked INSURANCE REPLACEMENT.*