



## **Takata Settlement: Claims Review Protocol**

### **I. Claims Intake**

Upon receipt, each Claim will be:

1. Matched to an existing record in the Settlement Special Administrator's Vehicle Identification Number ("VIN") registration database, or linked to a new record if no match to the VIN registration database is found;
  - i. The VIN registration database was created at inception of the Settlement Programs for purposes of mailing potential Class Members notification of the Settlement Agreements, and contains the names, addresses, and VIN registration information for all owners or lessees of Subject Vehicle during the Class membership periods and according to the parameters outlined in the Settlement Agreements (the "Original Data").
  - ii. The matching process will identify and associate received Claims with potentially eligible records by verifying name, address, and VIN based on the Original Data.
  - iii. Thus, matching Claims to existing VIN registration records or to new records helps not only to properly organize Claims under the Settlement Agreements but serves as an eligibility check with respect to issues such as Class membership and Claim submission timeliness.
2. Assessed for completeness (meaning that all required information is facially identified as present and consistent in the Registration/Claim Form); and,
3. Assigned a status based on that assessment. Assigned statuses will include, but may not be limited to, the following:
  - i. Complete: Claims imported as "Complete" contain no flaws (that is, all required information is facially identified as present and consistent in the Registration/Claim Form) such that no further analysis to confirm their completeness is necessary.
  - ii. Incomplete: Claims imported as "Incomplete" contain electronically identifiable flaws (including, but not limited to, missing required fields, inconsistent responses, disqualifying answers, or failure to sign the Registration/Claim Form under penalty of perjury).

### **II. Claims Processing: Recall Remedy VIN Verification**

Upon initiation of the Claims Processing Phase, the Settlement Special Administrator will verify which Subject Vehicles have completed the Recall Remedy. In collaboration with each automobile manufacturer, the Settlement Special Administrator will periodically obtain (via secure transmission) a file containing the VINs of Subject Vehicles for which the Recall Remedy has been completed and, if so, when the Recall Remedy was completed (the "Recall Remedy VIN Data"). The Settlement Special Administrator will then compare the Recall Remedy VIN Data with submitted Registration/Claim Forms to determine whether the Recall Remedy has been completed for the vehicle associated with each Claim.

Subsequently, Claims will then be reviewed in light of the underlying eligibility requirements of the Settlement Agreements. The completeness, timeliness, eligibility, and reasonableness (for Out-of-Pocket Expense Claims) of all Claims will be assessed.

### **III. Claims Processing: Defect Noticing**

After Recall Remedy VIN Verification, the Settlement Special Administrator will send letters notifying claimants of specific deficiencies, if any, associated with their Claim(s). These letters will allow claimants to cure any outstanding

deficiencies by providing a sufficient and adequate response within 45-days from the date of notice, or simply notify the claimant that one or more deficiency is “incurable” (e.g. claimed a non-Subject Vehicle, Claim is not timely, etc.)<sup>1</sup>.

The Settlement Special Administrator will send one notification letter per deficient Claim. If a deficiency associated with a Claim is timely and sufficiently cured, the Claim will be categorized as “Complete” and proceed accordingly depending on the basis and characteristics of the Claim.

If the underlying deficiency associated with a Claim is not timely and sufficiently cured, the Claim will be categorized into a final disposition of “Denied.”<sup>2</sup>

In cases where a Claim’s deficiency is related to a failure to complete the Recall Remedy, claimants will be notified accordingly following a sufficient amount of time to allow for the receipt of any associated Recall Remedy VIN Data by the relevant automobile manufacturer. A final deadline for completion of the Recall Remedy shall be determined by the Settlement Special Administrator.

#### **IV. Claims Processing: Out-of-Pocket Expense Claim Analysis and Audits**

In the Settlement Special Administrator’s discretion in order to confirm the reasonableness of a Claim, appropriate documentation may be required either for approval and payment for the Out-of-Pocket Expense as claimed or for the approval and payment of an alternate, reduced Out-of-Pocket Expense amount which may be supported by that underlying documentation.

If an Out-of-Pocket Expense Claim lacks sufficient supporting documentation for all claimed expenses, the Claim will first be sent a letter notifying the claimant of the deficiency. If the claimant does not sufficiently and adequately respond by the deadline to do so, the Out-of-Pocket Claim will be effectively denied for reimbursement, although the Claim may be eligible to receive a Residual Distribution payment, to the extent the Claim has passed the various other screenings necessary for eligibility, including fraud screening, and to the extent funds are available as per the Settlement Agreements.

If an Out-of-Pocket Expense Claim contains complete or partial supporting documentation for all or some claimed expenses, and the Claim has passed the various other screenings necessary for eligibility, including fraud screening, the Settlement Special Administrator, or his designee, will conduct a final review and verification. Once the Settlement Special Administrator, or his designee, fully reviews and verifies a Claim, the Claim will move along to Out-of-Pocket Expense payment of all or some<sup>3</sup> of the claimed expenses.

In the event a Claim does not pass the various other screenings necessary for eligibility, including fraud screening, the Claim will be closed and ineligible to receive reimbursement for Out-of-Pocket Expenses or a payment under the Residual Distribution.

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<sup>1</sup> Some “incurable” deficiencies, depending on the deficiency, will provide timeframes for Claimants to submit rebuttals for reconsideration. Details of these rebuttal timeframes, and the necessary requirements for rebuttal, will be outlined in the letters notifying Claimants of the “incurable” deficiency.

<sup>2</sup> To the extent a claim is found to be ineligible for reasons which preclude any payment under the Settlement Agreements whatsoever (for example, the claimant is not a Class Member, the Claim is untimely, the Claim is associated with a non-Subject Vehicle, or fraud), the Claim will be closed and ineligible to receive reimbursement for Out-of-Pocket Expenses or a payment under the Residual Distribution.

<sup>3</sup> Review may result in identifying Out-of-Pocket Expense Claims that may contain only partial support for their claimed expense amounts. When identified, Epiq will send a notification letter to these Claimants informing them of the partial award. The notifications will include a deadline to contest the partial award (or accept by taking no action).

As noted above, fraud screening will occur for all Claims. Where potential fraud is identified, the Settlement Special Administrator will send letters notifying claimants of the deficiency and/or perform other outreach to the claimant as determined to be appropriate and necessary in the Settlement Special Administrator's discretion. As per the Settlement Agreements, any Class Member who submits a Claim that the Settlement Special Administrator determines is fraudulent shall not receive any payment whatsoever.

## **V. Claims Processing: Final Dispositions and Disbursements**

After Claims Intake, Recall Remedy VIN Verification, Defect Noticing, Out-of-Pocket Expense Claim Analysis and Audits, Claims will be resolved in one of three final dispositions:

- Denied (No Payment Issued)
- Disbursements (for Out-of-Pocket Expense Distribution)
- Disbursements (for Residual Distribution)

Out-of-Pocket Expense disbursements will occur monthly. Residual Distribution disbursements will be made following each year of the Settlement Program, depending on the availability of such funds following the Out-of-Pocket Expense disbursements, as per the Settlement Agreements.

## **VII. Claims Processing: Claim Tracking**

Through the Settlement Program Website, or the Toll-Free Number, claimants will have the ability to track their Claims through the Claim review processing stages. Such statuses will include, but not be limited to, the following:

- "Approved and Awaiting Payment"
- "Approved for Potential Residual Payment"
- "Closed"
- "Denied"
- "Duplicate Claim"
- "In Review"
- "N/A"
- "Payment Issued"
- "Pending Performance of Takata Recall Remedy"
- "Pending Response to Notice of Incomplete or Ineligible Registration/Claim Form Sent"

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