



Flooring2 Claims Policy

Effective Date: July 1, 2025

1. Introduction

This Claims Policy outlines the procedures for filing and resolving claims related to damage, defects, or shortages in flooring products sold by Flooring2 to its retail customers. This policy supersedes all prior Flooring2 claims policies and aligns with industry best practices and applicable standards for product quality and claims handling.

2. Definitions

- **Claimant:** The retail customer (or authorized entity) filing a claim.
- **Customer (Retailer):** The business purchasing and receiving the flooring products.
- **Flooring2 (Distributor):** The wholesale distributor selling and shipping the flooring products (the shipper of record).
- **Carrier:** The transportation provider delivering the goods (this may be Flooring2's own delivery service or a third-party freight carrier).
- **Visible Damage:** Physical damage to products or packaging that is apparent at the time of delivery.
- **Concealed Damage:** Damage to the product discovered after delivery, when packages are opened or during unpacking.
- **Product Defect:** A manufacturing or quality defect in the product itself, not caused by shipping or handling.
- **Shortage:** Missing items or delivered quantity short compared to the order (including any incorrect products delivered in place of ordered items).

3. General Claims Guidelines

Time Limits for Filing Claims

- Claims must be filed within 9 months from the delivery date.
- Concealed damage or product defects should be reported within 30 days of delivery.

Claim Submission Requirements

- Claims should be submitted via the online claims form on flooring2.com/claims.

Supporting documentation required:

- Original Sales Invoice or Order Confirmation
- Delivery Receipt or Bill of Lading (proof of delivery and any notations)
- Photographs of the damage or defect
- Any other relevant evidence (e.g., packaging pictures, product labels or batch numbers for defects)
- All submitted documents and images must be clear and legible. Accepted file formats include PDF for documents and JPG or PNG for images.
- All product invoices must be paid (account in good standing) before a claim will be processed.

4. Claim Types

Visible Damage: Obvious transit or handling damage noted at delivery (e.g., crushed boxes, broken flooring pieces).

Concealed Damage: Damage discovered after delivery when the flooring product is unpackaged (e.g., scratches or cracks found inside an intact carton).

Product Defect: An inherent manufacturing or quality issue with the product (e.g., warping due to improper manufacture, finish defects) that is not caused by shipping or customer handling.

Shortage or Incorrect Products: Missing product units or receiving incorrect items compared to the packing list or order (e.g., fewer boxes than purchased, or the wrong product delivered).

5. Examples of Acceptable and Unacceptable Claims

The following examples illustrate scenarios in which claims would typically be honored or denied:

Acceptable Claim Scenarios:

- **Visible Damage at Delivery:** Upon delivery, the retailer observes that several boxes of flooring have been crushed and some planks inside are broken. The damage is noted on the delivery receipt, photographs are taken at once, and the issue is reported to Flooring2 immediately. This claim is valid because the damage was documented at delivery and evidence was provided.
- **Shortage with Driver Acknowledgment:** A retailer's shipment is supposed to contain 20 boxes of flooring, but only 18 boxes arrive. The driver signs the delivery receipt acknowledging the shortage of 2 boxes. A claim for the missing product is acceptable since the shortage was verified at the time of delivery.
- **Concealed Damage (Reported Promptly):** The packaging appeared intact, but when the retailer opened a box of flooring, some boards were found cracked. The retailer contacts Flooring2's claims department within a week of delivery and retains the damaged boards and packaging for inspection. This concealed damage claim is accepted due to prompt reporting and preservation of the evidence.
- **Product Defect Identified Pre-Installation:** Before installation, the retailer notices that several flooring planks have manufacturing defects (e.g., the finish is peeling or the tongues/grooves don't align properly). The retailer notifies Flooring2 and provides photos of the defects within days of receiving the product. This claim is valid as a product defect claim because the issue was identified early and reported within the allowed timeframe.

Unacceptable Claim Scenarios:

- **Damage Reported Late:** A retailer discovers damage to the flooring a few months after delivery, but no issues were noted at delivery and the problem was not reported within 30 days. The claim is likely to be denied because it was filed outside the required reporting window and there is no evidence the damage existed upon delivery.
- **Improper Handling or Installation by Customer:** The flooring was delivered in good condition, but was later damaged due to customer actions—for example, the retailer's staff stored the wood flooring in an uncontrolled environment causing warping, or the installer used improper techniques that chipped the boards. Such damage, resulting from improper handling or installation by the customer rather than any defect or transit issue, is not covered and the claim will be denied.
- **Unauthorized Repair or Use:** The retailer identified a defect in some planks but proceeded to cut, install, or attempt to repair them before allowing an inspection. Because the product was altered before Flooring2 could verify the problem, the claim is denied due to unauthorized use and removal of the opportunity for inspection.
- **Incomplete Documentation:** The claim submission did not include necessary information or paperwork (for example, missing invoice and no photos of the alleged defect). Until the retailer provides required documentation to substantiate the claim, Flooring2 cannot process the claim. If the documentation remains incomplete or insufficient, the claim may be denied for not meeting the documentation requirements.

6. Filing Procedures

- Submit claims using the online form at flooring2.com/claims.
- Fill out all required fields on the digital claim form with accurate information.
- Attach all required supporting documents (as outlined in Section 3 above) to the online submission.
- After submitting the claim, you will receive a confirmation message or email with a claim reference number for tracking purposes.

Claims Department Contact

Email: claims@flooring2.com

Phone: (800) 356-6789

(If a digital submission is not possible, customers may contact the Claims Department for assistance or alternate submission methods. However, use of the online form is strongly recommended for efficiency.)

7. Claim Investigation and Processing

- Flooring2 will acknowledge receipt of a claim within 30 days.
- A final decision or resolution (approval with refund/credit/replacement, or denial) will be provided within 120 days of claim receipt in most cases, barring any extenuating circumstances or delays in receiving information.
- Flooring2 reserves the right to inspect or retrieve any damaged or defective product as part of the investigation. Customers should retain the products and all original packaging materials until the claim is resolved.
- If a claim is approved and paid in full (for example, via product replacement or credit), Flooring2 may exercise its salvage rights. This means Flooring2 might arrange to collect the damaged product or ask the customer to dispose of it under specific instructions, especially in cases of manufacturer defect (to allow return to the manufacturer or proper disposal).
- Claim settlements may be issued in the form of a product replacement, a credit toward the customer's account, or a refund, as deemed appropriate by Flooring2.

8. Responsibilities

Flooring2 (Distributor):

- Properly package and ship products to minimize the risk of damage in transit.
- Handle and transport all goods (whether via its own delivery fleet or third-party carriers) with reasonable care to prevent loss or damage.

- Investigate each claim fairly and communicate promptly. Flooring2 will seek to resolve claims in a timely manner and will inform the customer if additional information or an inspection is required during the investigation.

Customer (Retailer):

- Inspect all delivered goods immediately upon arrival. Any visible damage or discrepancies should be documented (noted on delivery paperwork) and reported to Flooring2 without delay.
- Promptly report any concealed damage or product defects discovered after delivery, and always file claims within the deadlines stated in this policy.
- Preserve all original packaging, damaged products, and related materials until the claim is fully resolved, in case an inspection or return is needed. Do not discard or alter damaged items.
- Provide complete and accurate information and documentation to support the claim (including order details, photographs of damage/defects, and any other evidence requested). Cooperation with Flooring2's claims team helps ensure a quicker resolution.

9. Indemnity and Liability

Liability Limits: Flooring2's maximum liability for any claim is limited to the original purchase price of the product(s) in question or, at Flooring2's discretion, the cost of repair or replacement of the affected product. Flooring2 will not be liable for amounts greater than the invoice value of the goods.

Valuation of Claims: Approved claims will be compensated based on the lesser of the product's invoice value or the actual cost to repair/replace the product. Flooring2 will not pay more than the original price paid by the customer for the item that is lost, damaged, or defective. If a replacement product is provided, it will be of equal or comparable value to the original.

Maximum Payout: No claim settlement will exceed the invoiced value of each affected item. If multiple items are involved in a claim, compensation for each item is capped at that item's individual price on the invoice (i.e., each item is evaluated separately based on its own value).

Partial Loss/Damage: Claims will only be honored for the portion of the order that was actually lost, damaged, or defective. If only part of the shipment or product is affected, Flooring2 may opt to repair or replace just that portion. In such cases, the claim payout or remedy may be limited to the cost of repair for the damaged portion or the replacement value of the defective units, rather than the entire order.

Excluded Damages: Flooring2 is not liable for any indirect or consequential damages arising from product issues or delivery problems. This includes, but is not limited to, lost profits or sales, delays in project schedules, labor or installation costs, or any other incidental costs that result from the damaged or defective product. Flooring2's responsibility is limited to the value of the physical goods themselves and does not extend to secondary losses.

Additional Insurance: Customers are responsible for obtaining any additional insurance or coverage they deem necessary for high-value orders or time-sensitive projects. Flooring2's liability is limited as per this policy unless a higher level of coverage or value is agreed to in writing by an authorized Flooring2 representative (with any applicable fees or charges for such coverage paid). In the absence of such an agreement, the limits stated in this policy apply to all sales and shipments.

Acceptance of any claim settlement (whether it be a refund, credit, or replacement product) is considered full and final satisfaction of that claim, and releases Flooring2 from further liability for that specific issue.

10. Common Reasons for Claim Denials

Flooring2 aims to treat all claims fairly. However, certain conditions will result in claims being denied or not paid. Being aware of these common denial reasons can help customers avoid them:

- **Late Filing:** The claim was not submitted within the required timeframe (for example, beyond the 9 months from delivery, or a concealed damage/product defect reported after 30 days when it should have been reported promptly). Claims filed outside the allowed period are generally not honored.
- **No Proof of Damage at Delivery:** For visible damage or shortages, the issue was not noted on the delivery receipt or Bill of Lading at the time of delivery. If the delivery paperwork does not indicate any problem and the claim is raised later, it becomes difficult to prove that Flooring2 (or the carrier) was responsible, thus such claims may be denied.
- **Insufficient Documentation:** The customer did not provide necessary documentation or information to substantiate the claim. This could include missing proof of purchase, lack of photos of the damage/defect, or incomplete claim forms. Without adequate evidence or paperwork, Flooring2 cannot validate the claim, and it may be denied until proper documentation is supplied.
- **Payment Not Made:** The customer has not paid for the goods in question or has outstanding invoices at the time of the claim. As per Flooring2 policy, all invoices must be settled (or the account must be in good standing) before a claim can be processed. If payment for the product or associated charges is delinquent, the claim can be denied or put on hold until financial obligations are met.
- **Improper Installation/Handling (Inherent Vice):** An investigation reveals that the damage or problem was due to the customer's own actions or the inherent nature of the product, rather than a fault of Flooring2. For example, natural hardwood flooring might warp if the retailer or installer fails to acclimate it properly to humidity conditions; such warping is not a manufacturing defect but an "inherent vice" exacerbated by not following handling guidelines, and thus would not be covered. Similarly, if damage occurred because the product was mishandled after delivery, the claim will be denied.
- **Unauthorized Disposal or Repair:** The customer discarded the damaged product, installed all of it despite issues, or attempted repairs/alterations without Flooring2's authorization before the claim was resolved. Removing or altering the product makes it

impossible to verify the claim's legitimacy, so the claim will be denied. Customers must hold onto affected products and refrain from altering them until instructed otherwise by Flooring2.

- **Exceeded Coverage Limits:** The claim includes demands beyond what Flooring2's policy covers – for instance, requesting compensation that exceeds the product's value or seeking reimbursement for unrelated costs (like installer fees or lost business). Any portion of a claim that goes beyond the allowable limits (see Section 9) will not be paid. Flooring2 will only cover direct damage or defect costs, not additional consequential expenses.
- **Force Majeure Events:** Loss or damage caused by events outside of Flooring2's control may not be covered. This includes natural disasters, acts of government or other extraordinary events that impact the product while in transit or storage in ways no standard precautions could prevent. Such events ("force majeure") could exempt Flooring2 and its carriers from liability under applicable law, leading to the denial of claims arising from those circumstances.

If a claim is denied, Flooring2 will provide a clear explanation for the decision. If the customer believes the denial was in error or has new information, they may submit additional documentation and request a reconsideration of the claim, provided this request falls within the original allowed filing period.

11. Dispute Resolution

Escalation to Arbitration: If a claim dispute cannot be resolved to the customer's satisfaction (for example, if a claim is denied and the customer contests the decision), the matter must be submitted to binding arbitration rather than pursued in court, in accordance with Flooring2's terms of sale.

Arbitration Procedure: The party seeking to initiate arbitration must notify the other party in writing within 90 days of Flooring2's final claim determination. The arbitration will be conducted by a neutral arbitrator under the rules of the American Arbitration Association (AAA) or a similar recognized body. The arbitration will take place in the state where Flooring2's headquarters is located, or another location mutually agreed upon by both parties.

Timeline: Once arbitration is invoked, the process will be initiated promptly. Both Flooring2 and the customer are expected to cooperate in selecting an arbitrator and scheduling the hearing, typically within 60-90 days of the arbitration notice.

Costs and Award: Each party is responsible for its own costs and legal fees associated with the arbitration. The arbitrator's fees and any administrative costs may be split between the parties or assigned in the arbitrator's award. The arbitrator will issue a written decision, usually within 30 days after the arbitration hearing is concluded.

Binding Outcome: The arbitrator's decision is final and binding on both Flooring2 and the customer. By purchasing products from Flooring2, the customer agrees to this method of dispute resolution, and Flooring2 likewise agrees to abide by the arbitrator's ruling. The resulting arbitration award can be enforced in a court of law if necessary, and there is no recourse to pursue the same claim in court once arbitration is concluded.

12. Compliance and Record Keeping

Record Retention: All records, correspondence, and documentation related to claims should be kept for a minimum of 2 years after the claim is resolved. This requirement applies to both Flooring2 and the customer. Maintaining these records helps in any future audits or if any questions arise regarding the claim after resolution.

Audit Rights: Flooring2 reserves the right to audit claim records and submissions to ensure compliance and accuracy. Audits might be conducted randomly or triggered by unusual patterns (for example, a retailer filing an abnormally high number of claims or very high-value claims). Customers should keep their claim-related documents organized and accessible. If a customer cannot provide supporting documents during an audit, or if an audit uncovers fraudulent or non-compliant behavior, the claim may be denied or an already paid claim may be reversed and the customer held responsible for any fraud.

Data and File Standards: The online claims portal accepts standard file formats (as noted in Section 3). Customers must ensure all digital files uploaded (documents or photos) are legible and virus-free. Any falsification or deliberate alteration of claim documents is strictly prohibited. Submission of falsified documents will result in an immediate denial of the claim and may disqualify the customer from future claims, in addition to any legal consequences.

Legal and Regulatory Compliance: This policy is designed to comply with applicable federal and state laws governing commercial transactions and product warranties (for example, relevant provisions of the Uniform Commercial Code for sales of goods) as well as industry standards. Both Flooring2 and its customers are expected to adhere to all relevant laws and regulations during the claims process. Nothing in this policy is intended to supersede any rights or obligations provided by law, but rather to operate within those requirements.

13. Policy Exceptions

Exceptions to the provisions of this policy will only be made if confirmed in writing by an authorized Flooring2 representative. Flooring2's Claims Manager (or a designated company executive) has the authority to approve special cases or arrangements that deviate from this policy. Any such exception will be handled on a case-by-case basis and is not considered a permanent change or precedent that alters the standard policy unless officially amended.

14. Contacts and Additional Resources

Claims Department

Email: claims@flooring2.com

Phone: (800) 404-1651

Online Claims Form: flooring2.com/claims

Additional Support

For any questions regarding this Claims Policy or for inquiries about the status of a claim, customers should contact the Flooring2 Claims Department via the email or phone number listed above. Additional resources — including detailed product installation guides, maintenance instructions, and warranty documentation for specific flooring products — are available on our website (flooring2.com). Customers are encouraged to review these materials to ensure proper handling and installation of products, which can help prevent damage and the need for claims.