



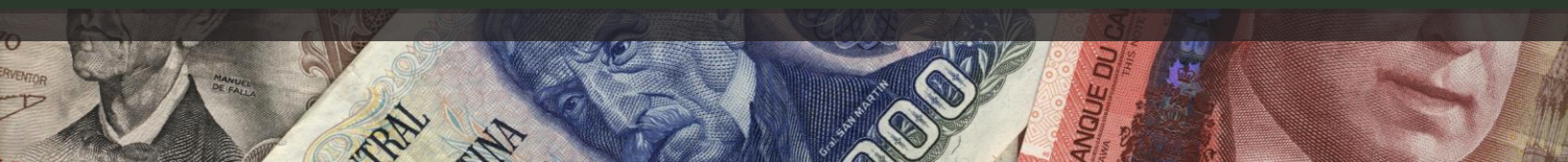
International Association of Movers



Receivable Protection Program

Operating Rules

2022 Edition



Contents

Foreword	1
Introduction	2
Section I: General Program Overview and Rules	3
A. Official Name	4
B. Description	4
C. Definitions	4
D. Program Structure	4
E. RPP Management and Oversight	5
F. Participation	5
G. Accounting Period	5
H. Program Funding and Participation Fees	6
I. Acknowledgment of RPP Operational Regulations	6
J. RPP Liquidation and/or Dissolution	6
K. Governing Laws	7
Section II: Unpaid Invoice Compensation (“RPP Compensation”) Operating Rules and Regulations	8
A. RPP Compensation Limits	9
B. Procedures for RPP Compensation	9
C. Period of RPP Compensation Protection	12
D. Payment of RPP Compensation Claims	13
E. Subrogation	13
Section III: Outstanding Invoice Intervention Process (“RPP Intervention”) Operating Rules and Regulations	14
A. Official Name	15
B. Purpose	15
C. Description	15
D. Required Documentation and Information	15
E. RPP Intervention Procedures	16

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Foreword

The International Association of Movers (IAM) is the moving and forwarding industry's largest global trade association. With more than 2,000 members, it comprises companies that provide moving, forwarding, shipping, logistics, and related services in more than 170 countries. Since 1962, IAM has been promoting the growth and success of its members by offering programs, resources, membership protections, and unparalleled networking opportunities to enhance their businesses and their brands.

IAM is the founder and manager of the Receivable Protection Program (RPP). This document sets forth the operating rules and regulations for the RPP.

They have been approved by the IAM Executive Committee as the entity that has general supervision over the business of IAM under the IAM By-Laws.

Introduction

The IAM Receivable Protection Program (RPP) was established in 2007 originally as a process through which an IAM member in good standing could recover unpaid funds/invoices stemming from commercial shipments (U.S. Department of Defense and other U.S. Federal Government agencies were not covered) owed to them by another IAM member. This feature of the RPP is now referred to as *Unpaid Invoice Compensation or RPP Compensation*.

At its inception, the RPP was set up as an optional program by which IAM Governing, Core, and Supplier Members could participate, but it was not included as a benefit of IAM Membership.

In 2011, the RPP was expanded so that it included the *Invoice Dispute Resolution Process*, which provided IAM Governing, Core, and Supplier Members with a step-by-step intervention procedure through which IAM Staff would attempt to facilitate the resolution of the outstanding debt. IAM Governing, Core, and Supplier Members who did not participate in the RPP could request staff intervention through the *Invoice Dispute Resolution Process* if the debt was at least USD \$3,000. As part of this process, IAM began the monthly circulation of the *Alleged Debtor List*, which details the IAM Governing, Core, and Supplier Members who have been alleged to not pay outstanding invoices owed to other IAM Members. The *Invoice Dispute Resolution Process* was changed to the *Outstanding Invoice Intervention Process* in November 2018 in order to better convey the true nature of this facet of the RPP. The *Outstanding Invoice Intervention Process* may also be referred to as *RPP Intervention*.

Starting on January 1, 2015, IAM included the RPP as a benefit for all IAM Governing and Core Members. With this change, all IAM Governing and Core Members in good standing can submit claims for *RPP Compensation*, request IAM staff intervention if they are owed at least \$3,000 USD by another member, and receive the *Alleged Debtor List* each month. In addition, unpaid funds/invoices stemming from shipments for the U.S. Department of Defense or Department and other U.S. Federal Government agencies are now covered.

With respect to *RPP Compensation*, recovery of unpaid funds will be limited to those due from IAM member companies that have declared bankruptcy or have ceased to exist as a result of being financially insolvent or otherwise unable to continue operations. A company that ceases to exist as a result of a merger and/or acquisition by another entity is considered still liable for its debt and is not covered under the RPP. After the program matures, unpaid funds retrieval may be expanded to eliminate this limitation.

By default, IAM treats each claimed invoice in a confidential manner. IAM only notifies the delinquent company if the claimant has requested that IAM intervene.

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Section I: General Program Overview and Rules

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A. Official Name

The official name of the program is the *IAM Receivable Protection Program (RPP)*.

B. Description

The RPP is an IAM program that intends to create a more secure financial environment for all IAM Governing, Core, and Supplier Members by creating a process through which an IAM Member in good standing can recover unpaid funds/invoices.

C. Definitions

Alleged Debtor

Any IAM Governing, Core, and Supplier Member who is the delinquent party in an unpaid debt owed to another Governing, Core, or Supplier Member.

Claim

One or more unpaid invoices submitted to the RPP by a claimant

Claim Status

The discrete point in the review process for the claim.¹

Claimant

Any IAM Governing, Core, or Supplier Member who submits a claim to the RPP²

Claimed Invoice

Any unpaid invoice submitted to IAM for *RPP Compensation* by an IAM Governing or Core Member

Defaulting Company

IAM Governing and Core Member who has filed for bankruptcy or has ceased to exist.

Fiscal Year

The one-year period IAM and the RPP use for financial reporting and budgeting³

D. Program Structure

The RPP has three features, which are as follows:

1. **Unpaid Invoice Compensation (“RPP Compensation”):** IAM shall compensate IAM Governing and Core Members if they are owed outstanding monies by another IAM Governing or Core Member who has filed for bankruptcy or has ceased to exist. The

¹ A claim status may be but is not limited to “pending staff review”, “denied”, “approved”, etc.

² Supplier Members are not eligible for *RPP Compensation* unless they upgrade their membership to *Governing Membership*.

³ IAM and the RPP operate its fiscal year from January 1 to December 31.

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Operating Rules and Regulations for this feature are set forth in [Section II of this document](#). Supplier Members may become eligible for this *RPP Compensation* by upgrading to a Governing Membership.

2. **Outstanding Invoice Intervention Process (“RPP Intervention”)**: IAM Governing, Core, and Supplier Members are able to request IAM Staff intervention on any invoice greater than USD \$3,000 owed by another IAM member provided that the alleged debt is at least 120 days old. By default, IAM treats each claimed invoice in a confidential manner and will only initiate the intervention process if the claimant has requested that IAM intervene. The Operating Rules and Regulations for this feature are set forth in [Section III of this document](#).
3. **Alleged Debtor List**: IAM Governing, Core, and Supplier Members will now receive the IAM *Alleged Debtor* List each month, which details the IAM members who are allegedly delinquent on payments owed to other IAM members. The Operating Rules and Regulations for this feature are set forth in [Section III of this document](#).

E. RPP Management and Oversight

The RPP will be managed and administered by the IAM Staff under the supervision of its Executive Committee. All decisions reached by the Executive Committee concerning the RPP shall be final including those made in reference to changing program funding, participation fees, compensation limits, procedures, payments, etc. All communications related to the RPP should be addressed to the IAM Headquarters at 1600 Duke St., Suite 440 Alexandria, VA 22314, or to rpp@iamovers.org.

F. Participation

The RPP is a benefit included with IAM Governing and Core Membership. Only IAM Governing and Core Members who are in good standing and who are current in the payment of their fees will be eligible to receive **RPP Compensation** through the RPP. Supplier Members of IAM receive the **Alleged Debtor List** and can request IAM staff intervention on debts owed to them through the **RPP Intervention**.

As a member-funded program, the RPP Compensation benefit is exclusively reserved for those companies who have contributed to the RPP Reserve Fund in their annual membership dues payment. Only member companies are covered by the RPP and eligible to receive RPP Compensation for services they have rendered at the location where that membership is registered. “Branch” or “affiliated” entities of IAM Members are only covered or eligible to receive RPP Compensation if the entity is a member at its location where it provides services.

G. Accounting Period

The RPP will have the same fiscal year as the International Association of Movers (IAM), which commences on January 1 and ends on December 31. RPP dues for that year are billed and RPP claims from the previous year are reviewed at the beginning of the fiscal year.

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H. Program Funding and Participation Fees

The RPP will be funded as follows:

1. The RPP is a self-funded plan by Governing and Core Members of the International Association of Movers (IAM).
2. All participation fees, which are included in IAM Membership dues, are assessed for IAM Governing and Core Members to ensure that RPP funding is at a level necessary to pay filed RPP claims.
3. Future RPP participation fees may be increased or decreased over the lifetime of the RPP to sustain a future funding minimum based on overall claim experience and will be subject to review by the IAM Executive Committee.
4. Should RPP funding levels decrease below a point sufficient to pay pending claims, the IAM Executive Committee may institute a special assessment fee to ensure that the program remains fiscally solvent.
5. The current participation fee is set at USD \$200 per Governing Member and \$165 per Core Member. Participation fees are included as part of IAM Governing and Core Membership dues and assessed at the beginning of each fiscal year. Upon receipt, participation fees are tracked in a separate accounting managed by IAM Staff under the supervision of the IAM Executive Committee.
6. The participation fees shall be used by IAM for the following purposes in the order specified below:
 - a. Offset any costs borne by IAM when managing or administering the RPP
 - b. Pay out on approved RPP Compensation claims

I. Acknowledgment of RPP Operational Regulations

All Governing and Core Members verify their understanding with the RPP Operating Rules and Regulations one time per year. New Governing and Core Members are given the opportunity to read and familiarize their companies with the RPP Operating Rules and Regulations when they complete their membership application. Existing Governing and Core Members are asked to re-read and re-familiarize their companies with the RPP Operating Rules and Regulations when they pay their annual dues invoice.

J. RPP Liquidation and/or Dissolution

In the event that the RPP must be liquidated or dissolved for any reason as deemed reasonable and sufficient by the IAM Executive Committee, the IAM Executive Committee, after notifying the IAM Membership will commence the process to liquidate and/or dissolve the program by disbursing any RPP funds in the following order:

1. Payment of outstanding expenses
2. Compensation of approved pending claims

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3. Absorption of remaining funds into IAM's general operating fund

K. Governing Laws

Any legal disagreements or controversies arising from the administration of the RPP will be interpreted in accordance with the applicable laws of the Virginia. Any conflict arising from the interpretation or enforcement of the RPP rules will be submitted to a court in the State of Virginia.

Section II: Unpaid Invoice Compensation ("RPP Compensation") Operating Rules and Regulations

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A. RPP Compensation Limits

The limits for *RPP Compensation* payments under the RPP will be established for each fiscal year by and at the sole discretion of the IAM Executive Committee. The annual payment limits are subject to the following:

1. A maximum total annual distribution limit of 50% of the available RPP funds.
2. A maximum annual compensation limit per claimant which cannot exceed USD \$20,000.
3. A maximum annual compensation limit per defaulting company of 35% of the maximum total annual distribution limit. In the event that the RPP has reached the maximum total annual distribution limit for a defaulting company that fiscal year, proportional payments will be made.
4. These maximum levels of coverage will be in effect until changed by the Executive Committee.
5. In the event that it becomes necessary to make payments to multiple participants within the same fiscal year, and in the event that such payments exceed the RPP's maximum distribution limits for said fiscal year, proportional payments will be made.
6. Proportional payments are calculated as follows:
 - a. IAM shall add up the total monetary amount of each approved claim. This sum shall be known as "the whole".
 - b. The whole is then divided by the monetary amount of each individual approved claim request so that IAM obtains a percentage of the whole for each approved claim (the "proportion of the whole").
 - c. Each proportion of the whole is then multiplied by that year's maximum annual total distribution limit to arrive at the adjusted payment for that approved claim.

B. Procedures for RPP Compensation

In order for a request for compensation to be honored, each claimant must abide by the process set forth below:

1. **Required Documentation** - The following documentation must be submitted for each claimed invoice.
 - a. [Completed RPP Claim Form](#)
 - b. Legible Unpaid Invoice translated into English
 - c. Quotation for Services by claimant
 - d. Acceptance of Quotation by debtor
 - e. Written / Typed Inventory

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- f. At least three requests for payment since the date of invoice issuance
- g. For shipments, a contract of Carriage (Airway Bill, Bill of Lading, etc.)
- h. For storage, an agreement that the shipment is to be placed in storage
- i. For any additional services not included in the quote or service level agreement, the claimant must provide the following:
 - i. Proof the service was completed
 - ii. Confirmation the delinquent company ordered approved the service
 - iii. A receipt if the service was performed by a 3rd party
- j. IAM reserves the right to request additional documents related to the unpaid invoice
- k. Failure to provide the requested documents within 12 months of the initial claim shall result in the denial of that claimed invoice.

2. Regulations – The following regulations apply when applying for *RPP Compensation*:

- a. The unpaid invoice must relate to direct services rendered in conjunction with the transportation, storage, and/or handling of shipments of household goods, personal effects, and/or motor vehicles.⁴
 - i. **Covered Charges:** This includes but is not limited to the following services:
 - 1. Origin Services
 - 2. Air, Ocean, or Road Freight Transportation Charges
 - 3. Destination Services
 - 4. Customs Clearance Expenses
 - 5. Storage
 - ii. **Non-Covered Charges:** This excludes the following services:
 - 1. Insurance premiums, including marine / transit insurance
 - 2. Damage claims
 - 3. Claims charge backs
 - 4. Storage connected with non-payment of services including demurrage and / or port storage⁵
 - 5. Customs duties / taxes
 - 6. Bank wire fees
 - 7. Any ancillary service not directly connected with the transport, storage, and/or handling of the shipment
 - iii. **Special Cases:** In some cases, the claimant may have incurred a fee that is necessary to complete the service for which they are invoicing. Compensation may be approved for the fee in question if the

⁴ If a service has not been specifically covered in the lists of included and excluded services. IAM will refer to the Professional Cooperation Guidelines to determine which services shall be covered under the Receivable Protection Program (RPP).

⁵ Demurrage / Port Storage / Detention / Per Diem fees incurred due to non-payment, documentation errors, or negligence on the part of the claimant are excluded from compensation under the RPP program

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claimant can prove that it was incurred due to circumstances beyond the claimant's control, it was not reimbursed by the debtor company, and that the invoiced service could not be completed without payment of the fee.

- b. The unpaid invoice must be no older than 120 days from the date of its issuance when it is submitted to IAM for RPP Compensation through the RPP.
- c. IAM will not accept any claims where the claimed invoice(s) is fewer than 60 days old from the date of its issuance unless it is apparent or feared that the *Alleged Debtor* has either declared bankruptcy or ceased to exist.
- d. The date of the unpaid invoice must not precede the initiation date of the claimant as a Governing or Core Member in the IAM.
- e. The date of the unpaid invoice must not precede the initiation date of the debtor as a Governing or Core Member in the IAM.
- f. Claims may only be submitted for services provided by and at the request of an IAM member who was a member on the date the invoice was issued except when the service was pre-paid and services were not provided. (See Section II, B, 2, e, ii)
- g. In the event that an invoice was pre-paid and services were not provided, the following regulations apply:
 - i. Claimant must demonstrate that efforts were made to recoup the money through the issuance of an invoice.
 - ii. Claims may be submitted for services provided by and at the request of an IAM Member who was a member on the date the request for services was made.
- h. The invoice in question should meet all legal requirements of the country in which it was issued and must meet the following minimum requirements:
 - i. Complete name and contact information of entity (company) issuing the invoice
 - ii. Complete name and contact information of entity (company) being billed
 - iii. Date on which invoice was issued
 - iv. Date of service(s) for which invoice was issued
 - v. Type of service(s) rendered
 - vi. Amount billed for service(s) rendered
 - vii. Name of shipper and/or all relevant shipment reference number
 - viii. Rate quotation details, or filed general rate applicable to booking agent for service
- i. The claimant must demonstrate that at least three written/emailed requests for payment were sent at reasonable intervals over the preceding 120 days from the date that the invoice was issued.

- j. Claimant should, when reasonably feasible, verify that the company who has failed to pay the invoice has filed for bankruptcy or has ceased business operations.
 - k. An unpaid invoice shall not be eligible for compensation in the event of the following circumstances:
 - i. The date of service for the unpaid invoice is after the date on which the delinquent company was posted on the Alleged Debtor List and circulated to the IAM Membership.
 - ii. The date of service for the unpaid invoice is after the date of the claimant's original claim submission.
 - l. When a claimant owes money to the delinquent company, this monetary amount will offset when it is eligible within the rules and regulations set forth herein.
3. Upon receipt of the completed RPP claim form and associated support documentation (Section II.B.1), IAM will confirm the following:
- a. The claimant has met and complied with the requirements and procedures described in Sections I and II of the RPP Operating Rules and Regulations.
 - b. The unpaid invoice that is presented for payment is related to direct services rendered in conjunction with the transportation, and/or handling of shipments of household goods, personal effects, and/or motor vehicles.
 - c. The services from which the charges stem on the invoice were requested and rendered by an IAM member.
 - d. All reasonable attempts to collect the funds and resolve the matter have been unsuccessful.
 - e. The requested payment falls within the minimum/maximum established limits per member per year.
 - f. The submitted claim is not based on an invoice with an original issue date that is older than 120 days. If it has been more than 120 days and the IAM were not previously notified of the outstanding balance within 120 days of the invoice date, then that overdue sum no longer qualifies for compensation under the RPP.
 - g. The defaulting entity may be informed that a report of "nonpayment" will be made with IAM.

C. Period of RPP Compensation Protection

- 1. Claims for payment of invoices bearing an original date of issuance and/or date of service that predates the participating member's date of membership in IAM do not qualify for the RPP and will not be paid. Companies that cease to be members of IAM forfeit their right to submit any claims under the RPP.

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2. In the event that a claimed invoice has remained in a pending status for three successive fiscal years, it will no longer be eligible for RPP Compensation.
 - a. A claimed invoice is considered as “Pending” if it remains unresolved but the delinquent company has not ceased to exist.

D. Payment of RPP Compensation Claims

1. Processing of qualified claims under the RPP will commence following the conclusion of the fiscal year during which the RPP claim was received.
2. All final payments are subject to individual and overall program maximums, as indicated in [Section II, Part A](#).
3. All final payments will be made in U.S. Dollars.
4. Payment will be based on currency exchange rates on the date of final review by the RPP administrator.
5. IAM will use xe.com as its benchmark when converting currencies for the RPP. If XE.com is no longer available at the time of currency conversion, other suitable replacements shall be determined by the IAM Executive Committee.
6. In the event that a claim has been submitted that satisfies all conditions of the program but the debtor company is still operating, IAM Staff may maintain that claim in a pending status and may pay out on that claim in a future fiscal year.
7. Before paying out on any qualified claims, IAM will check with other industry trade associations operating similar programs to the RPP to determine final payouts. If the claimant has also been compensated by another program, IAM may compensate that claimant up to the total remaining value of the unpaid invoice but no more. The claimant cannot be made more than whole through separate approved claims through this Receivable Protection Program or any other program offering reimbursement for such claims / invoices.
8. At the end of the fiscal year, IAM Staff will provide their assessment of RPP Claims submitted and recommend the amount for the IAM Executive Committee to disburse. The Executive Committee will review the recommendations and have the opportunity to request additional information from Staff concerning their recommendations or approve the disbursements.

E. Subrogation

Prior to paying *RPP Compensation* on an approved claim, IAM shall notify the claimant advising them of the calculated compensation amount to settle the claim.

As a condition of payment, the IAM Member must accept the settlement in writing and provide IAM with a written irrevocable transfer of its rights against the debtor of the concerned invoices to IAM.

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Section III: Outstanding Invoice Intervention Process (“RPP Intervention”) Operating Rules and Regulations

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A. Official Name

The official name of the feature is the *Receivable Protection Program (RPP) Outstanding Invoice Intervention Process* (“OIIP”). It may also be referred to as “*RPP Intervention*”. It includes a complementary component called the *IAM Alleged Debtor List*.

B. Purpose

In accordance with RPP Operating Rules Section 1, Part B, the mission of the RPP is the establishment of “a process through which an IAM Member in good standing can recover unpaid funds/invoices.” The RPP Intervention assists IAM members with recovering outstanding monetary amounts owed to them by other IAM Members by providing a step-by-step process through which IAM Staff intervenes to facilitate repayment of outstanding debt between two members. By default, IAM treats each claimed invoice in a confidential manner and will only notify the delinquent company if the claimant has requested that IAM intervene.

To encourage repayment of outstanding debt, IAM established the *IAM Alleged Debtor List* as a complementary component of the *Outstanding Invoice Intervention Process* (“*RPP Intervention*”). The *Alleged Debtor List* serves to notify IAM Governing, Core, and Supplier Members of which Members are allegedly not paying their invoices and to compel delinquent companies to resolve outstanding debts to protect their reputations and their status as IAM Members in good standing.

C. Description

RPP Intervention: IAM Governing, Core, and Supplier Members are able to request IAM Staff intervention on any invoice greater than USD \$3,000 owed by another IAM Governing, Core, and Supplier Member provided that the alleged debt is at least 120 days old.

Alleged Debtor List: IAM Governing, Core, and Supplier Members shall receive the *IAM Alleged Debtor List* each month, which details the IAM members who are allegedly delinquent on payments owed to other IAM members. IAM Members are added to this list only after IAM Staff has exhausted all options following up on the outstanding debt through the *RPP Intervention*.

D. Required Documentation and Information

In order for a request for intervention to be honored, each complainant must provide the following documentation and information to the IAM establishing the following:

1. The unpaid invoice must relate to direct services rendered in conjunction with the transportation, and/or handling of shipments of household goods, personal effects, and/or motor vehicles.
2. The invoice date did not precede the initiation date of the claimant in the IAM.
3. The invoice date did not precede the initiation date of the debtor in the IAM.
4. Services were provided by and at the request of a current IAM member.

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5. The invoice in question should meet all legal requirements of the country in which it was issued and must meet the following minimum requirements:
 - a. Complete name and contact information of entity (company) issuing the invoice
 - b. Complete name and contact information of entity (company) being billed
 - c. Date on which invoice was issued
 - d. Date of service(s) for which invoice was issued
 - e. Type of service(s) rendered
 - f. Amount billed for service(s) rendered
 - g. Name of shipper and / or shipment reference number
 - h. Rate quotation details, or filed general rate applicable to booking agent for service
6. The complainant must demonstrate that at least two written / emailed requests for payment were sent at reasonable intervals over the preceding 120 days from the date that the invoice was issued.
7. By default, IAM treats each claimed invoice in a confidential manner. To initiate *RPP Intervention*, the complainant must request IAM to do so.
8. The invoice dispute must meet or exceed USD \$3,000.
9. The dispute must not be pending legal action.
10. IAM will not recognize reciprocity agreements.
11. IAM Staff shall be able to refuse initiation of or stop the continuation of the RPP Intervention at their discretion. By extension, IAM Staff shall also be able to remove a company from the Alleged Debtor List at their discretion too.

E. RPP Intervention Procedures

Upon receipt of the complaint and associated support documentation (Section III.D), IAM will initiate the RPP Intervention. The specific process is as follows:

1. Initial RPP Intervention Letter:

- a. An initial letter will be sent to the *Alleged Debtor* from the IAM President, which shall include all relevant documentation under separate enclosure. This communication may be sent to any contact IAM has on file at the delinquent company but it shall at a minimum include the company Principal or main point of contact at the *Alleged Debtor* if known.
- b. IAM Staff will wait 15 days from the date of the letter for a response from the *Alleged Debtor*.
- c. Should the *Alleged Debtor* express a willingness to work in good faith to resolve the matter, they will be permitted an additional 15 days to settle the invoice dispute with the creditor.
- d. IAM Staff shall have discretion to determine what constitutes a good faith effort.

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2. **Second RPP Intervention Letter** - If there is no resolution after the first letter, IAM Staff will follow up with a second letter to the Alleged Debtor.
3. **Third RPP Intervention Letter** – After the sending of the second letter, if the debt still has not been resolved after an additional 15 days, IAM Staff will send a third and final letter.
4. After the third RPP Intervention Letter has been sent, if no resolution has been agreed between the *Alleged Debtor* and creditor, IAM Staff will add the name of the *Alleged Debtor* to the current *Alleged Debtors List*.
5. IAM will also inform the creditor that they have the right to recommend the *Alleged Debtor* for expulsion if the debt in question meets all the conditions set forth in the [IAM By-Laws](#).
6. The *Alleged Debtors List* will be circulated to all IAM Governing, Core, and Supplier Members each month and may be found on the IAM website.
7. IAM Staff will contact the creditor and alleged debtor each month to see if the *Alleged Debtor* has resolved the debt. If there is a resolution, IAM Staff will remove the *Alleged Debtor* from the *Alleged Debtors List*.
8. Should the debt remain outstanding, IAM will inform the *Alleged Debtor* that their name will continue to be published on the *Alleged Debtors List*.
9. If the complainant requests the expulsion of the *Alleged Debtor* from IAM, IAM Staff will proceed according to the expulsion process detailed in Article VI, Section 4, of the IAM By-laws.
10. IAM may facilitate repayment plans between members. If a repayment plan is established, IAM may enforce the terms of that payment plan by reserving the right to add the delinquent company to the Alleged Debtor List even though the total debt may no longer be in excess of \$3,000 USD

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