Continuous Service Policy

Frequently Asked Questions and Answers Relating to Fortinet’s FortiCare and FortiGuard Continuous Renewal Policy

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Most customers renew FortiCare Support and FortiGuard subscriptions on time, but a small number sometimes delay their renewals for any number of reasons. What is Fortinet doing to help Partners encourage customers to renew on time?

Over the past year, Fortinet has implemented many improvements to our service renewal processes. These processes have simplified selling and renewing support. They have helped Partners sustain a valuable revenue stream. Now, as another measure to enhance renewals, Fortinet has implemented a new policy effective May 1, 2010. This new policy encourages on time renewals by removing any incentive to delay. Fortinet calls this the Continuous Service Policy.

What is the new Fortinet Continuous Service Policy?
Fortinet designed FortiCare support and FortiGuard subscriptions to be continuous. When a customer does not renew by the expiration date, then a lapse in the service period occurs which makes the customer’s environment vulnerable to security related threats. Any lapses in service will now require coverage back to the contract expiration date in order to maintain continuous service coverage. The maximum back coverage is limited to six months. In other words, if the coverage has lapsed for more than six months, then out of a one-year renewal contract, six months will be used to cover the lapse in service and then the remaining service time will be used to provide continuing service. The difference between the new start date and end date will not be greater than the service period purchased.

What would be an example of renewing a contract within six months of the prior expiration date?
If the expiration of the service contract is May 28, 2010 and a 1-year renewal is purchased and registered on July 29, 2010, then the service period will be from May 29, 2010 to May 28, 2011.

What would be an example of renewing a contract after more than six months had elapsed?
Should a contract be expired more than six months, the start of the renewal service period will be six months before the new renewal date. For example, if the expiration of the service contract was August 31, 2008 and a 1-year renewal is purchased and registered on May 30, 2010, then the start date is effective six month prior (November 30, 2009) and the remaining service period will be through November 30, 2010.

When does this policy apply to FortiCare Support?
This policy applies to all FortiCare renewals purchased after April 30, 2010 -- both as part of a bundle or as a stand-alone/a la carte contract.

When does this policy apply to FortiGuard?
When FortiGuard is part of a contract bundle with FortiCare, then this policy applies to FortiGuard. This policy does not apply to stand-alone/a la carte FortiGuard contracts.

When does this policy go into effect?
The new policy is effective May 1, 2010 and is based on the shipment date of the new renewal contract.

Does this apply to renewals only?
Yes, this change applies to renewal contracts only. Fortinet defines a renewal contract as any service contract purchased...
subsequent to the initial service period whether it was through a purchased service contract with hardware or provided through our standard warranty.

**How does this policy apply in regards to the warranties?**
Fortinet provides an initial 90-day limited software warranty and a one year hardware warranty. Our warranty coverage represents the first service period which makes our warranty equivalent to a first-time contract. Should the warranty expire before a customer purchases a FortiCare support contract, then the continuous service policy applies.

**How does this policy apply in regards to bundles?**
When a customer purchases a Fortinet bundle for the first time, the service and subscription component is the first service period and contract. When the service and subscription component of the bundle expires, this continuous service policy applies to the renewal.

**Is there a grace period?**
Yes, there is a 10-day grace period which is the number of days after the contract expiration date before the lapsed service period coverage goes into effect. If a contract is purchased and registered within the 10-day grace period then the contract starts on date of registration. If a contract is purchased and registered on day 11, then the contract start date is one day after existing contract expiration date. For example, if a contract expired on June 30, 2009 and was purchased and registered on July 5, 2009 then the start date of the contract would be July 5, 2009. However, if the contract expired on June 30, 2009 but was not purchased and registered until July 15, 2009 then the contract start date would be July 1, 2009.

**Are there any exceptions?**
Yes, the following are excluded from this policy:
- Multi-year contracts for Bundle, ProProtect, and stand-alone FortiCare renewals.
- A la carte FortiGuard Renewals
- All FortiCare renewals and All FortiGuard renewals for Demo Units/Eval units.
- Multi-year stand-alone FortiCare Renewals
- Multi-year a la carte FortiGuard Renewals

**What contracts are affected by this policy?**
We will apply this policy for these contracts:
- Bundle Renewals
- ProProtect Renewals
- Stand-alone FortiCare Renewals

**What if there are multiple service types on a serialized unit with different expiration dates?**
When calculating the lapsed service period, the latest support type expiration date will be used as the previous service period expiration date.

**Is there any flexibility regarding this policy?**
Yes, Fortinet is willing to be flexible on very limited basis. In general, requests for flexibility will need to conform to specific situations. Strategic customers (including US Federal government agencies) will typically receive consideration. There are two processes that must be used when making these requests:

1. Requests to waive the requirement for continuous service coverage must be made proactively during the renewal sales process. Once the contract has been sold and registered, then we have no flexibility to waive the continuous service requirement. It is critical to manage service renewals to avoid situations where lapsed service occurs.

2. Lapsed contracts where a request for an exception to the continuous contract policy is appropriate must be handled through the regional renewals team. They will be using a modified version of the co-term tool to generate a renew configuration quote. The renewals team will provide the quote to you containing a reference number. The renewal configuration reference number must be included on your purchase order. The P.O. must also state that there is to be no backdating. This exception process will provide the capability to alter the start date to the current date versus the start date being the day after the expiration date of the existing contract. This will require approval similar to that of any other special pricing request.
TO REPEAT: WE WILL HAVE NO FLEXIBILITY TO PROVIDE EXCEPTIONS TO THE REQUIREMENT OF CONTINUOUS SERVICE AFTER REGISTRATION HAS OCCURRED AND THE START DATE HAS BEEN SET IN FORTICARE.

I have a customer that might qualify as a strategic account, how do I start the process of requesting flexibility?
The most important thing is identifying the exception request in the purchase order before you submit it to the Distributor and Fortinet.

1. To do this, request a renewal configuration quotation (much the same as we do with a special pricing request) from the Fortinet renewals team. See contact information below.
   - Americas and ANZ: renewals@fortinet.com
   - EMEA including India: renewals_emea@fortinet.com
   - APAC excluding Japan: renewals_apac@fortinet.com
   - Japan: renewals_japan@fortinet.com

2. The Fortinet Renewals Team will generate a renewal configuration quotation and seek the appropriate approvals

3. If approved, the Fortinet renewal team will provide renewal configuration quote and reference number that must be identified on your Purchase Order

Note: As mentioned above, without a notation on your P.O. indicating not to back date the start date of the new service contract along with the renewal configuration number, Fortinet cannot process an exception.

Also note: Fortinet cannot accept corrections or changes after we receive the purchase order.

Are there any new SKUs involved?
No new SKU's are required.