

## Section 1 Definitions

“**Actual Cash Value**” means the current N.A.D.A published average retail value of **Your Vehicle** on the date of loss, taking age, condition and mileage into consideration.

“**Administrator**” means Administration Plus USA, LLC, PO Box 335 Dublin, Ohio 43017 – 1-888-648-0535

“**Breakdown**” means the failure of any original or like-original replacement part covered by this **Contract** to perform its intended function(s) in normal service, providing that the part has received all scheduled maintenance as recommended by the manufacturer in the **Vehicle Owner’s Manual**. **Breakdown** does not mean the gradual reduction in operating performance caused by normal wear and use where a **Breakdown** has not occurred.

“**Contract**” means this **Vehicle service Contract**.

“**Contract Price**” means the amount **You** paid for this **Contract**, as shown on the Information Schedule.

“**Contract Purchase Date**” means the date **You** purchased this **Contract**, as shown on the Information Schedule.

“**Cost**” means the reasonable and customary charges for parts and labor necessary to repair or replace a covered part. These charges shall not exceed the manufacturer’s suggested retail price for parts and labor allowances derived from nationally recognized labor time publications.

“**Deductible**” means the amount **You** are required to pay, as shown on the Information Schedule, per visit for covered **Breakdowns**. If **Your Cost** is a **Warranty** deductible charge imposed by the manufacturer, this **Contract** will pay that deductible.

“**Elimination Period**” means the first 30 days and 1,000 **Miles** of this **Contract**, during this **Elimination Period**, the **Contract** affords no coverage whatsoever including roadside assistance. Coverage begins on the 31<sup>st</sup> day and 1,001 **Miles** from the **Contract Purchase** date.

“**Miles**” means the number of **Miles**, as shown on the Information Schedule.

“**Months**” means the number of **Months**, as shown on the Information Schedule

“**Odometer Miles**” means the actual **Miles Your Vehicle** has traveled as recorded on its original, unaltered odometer.

“**Obligor**” means Protection Plus USA, Inc – PO Box 335 Dublin, Ohio 43017 – 1-888-648-0535.

“**Repair Facility**” means a franchised automobile dealer or licensed **Repair Facility** that provides a written parts and labor guarantee for covered repairs of not less than 6 **Months** and 6,000 **Miles**.

“**Road Hazard**” shall mean: pothole, rock, nail, wood, tree limb/branch, or other debris on the road surface.

“**Producer**” means the entity from whom **You** purchased this **Contract**, as shown on the Information Schedule.

“**Vehicle**” means the covered car or truck, as shown in Information Schedule.

“**Warranty**” means any **Warranty** of the manufacturer, state required **Warranty**, dealer **Warranty** or a **Repair Facility** guarantee.

“**We**”, “**Us**” and “**Our**” means Protection Plus USA, Inc. PO Box 335 Dublin, Ohio 43017 1-888-648-0535.

“**You and Your**” means the **Contract** holder, as shown on the information schedule, or the person to whom this **Contract** was properly transferred.

## Section 2 What is Covered

### Ultimate Coverage

We will pay or reimburse **You** for reasonable **Costs** to repair or replace any **Breakdown** of all mechanical or electrical parts except those listed under the SECTION WHAT IS NOT COVERED, less any **Deductible**, in accordance with GENERAL PROVISIONS contained in this **Contract**. Reimbursement amounts for replacement parts or components may be based on new, remanufactured, or used parts at **Our** sole discretion.

#### ADDITIONAL BENEFITS (These benefits apply to all coverage plans.)

- **Towing Benefit** – in the event of a **Breakdown** covered by this **Contract**, **We** will pay or reimburse **You** for receipted towing expenses up to one hundred dollars (\$100.00) per occurrence. **No Deductible shall apply to this benefit.**
- **Rental Benefit** – In the event of a **Breakdown** covered by this **Contract**, **We** will pay or reimburse **You** for receipted expenses to rent a replacement vehicle, from a licensed rental agency, while **Your Vehicle** is at a **Repair Facility**. Coverage will be provided to **You** up to a maximum of thirty-five dollars (\$35.00) for every eight (8) labor hours, or a portion thereof, of authorized labor time required to complete the repair, up to a maximum of one hundred and seventy-five dollars (\$175.00) for each **Breakdown**. In addition, a maximum of one (1) additional day of rental shall be paid for parts ordering and inspection delays. **No Deductible shall apply to this benefit.**
- **Trip Interruption** - In the event a **Breakdown** covered by this **Contract** occurs more than one hundred (100) **Miles** from **Your** home and results in a **Repair Facility** keeping **Your Vehicle** overnight, **We** will reimburse **You** for receipted lodging and restaurant expenses, up to one hundred twenty-five dollars (\$125.00) per day for a maximum of three (3) days, and a maximum benefit of three hundred and seventy-five dollars (\$375.00) per **Breakdown**. **No Deductible shall apply to this benefit.**
- **Lost Key/Lockout** - In the event the keys for **Your Vehicle** are lost, broken or accidentally locked in **Your Vehicle**, this benefit covers receipted expenses, up to a maximum of fifty dollars (\$50.00), for locksmith services. **No Deductible shall apply to this benefit.**
- **Tire Coverage Benefit** - In the event **Your Vehicle's** tire(s) incur(s) damage from a **Road Hazard**, **We** will pay or reimburse **You** for receipted expenses for tire repair, or if non-repairable, for tire replacement up to a maximum of twenty dollars (\$20.00) for each tire repaired or one hundred dollars (\$100.00) for each tire replacement, up to a maximum aggregate of four hundred dollars (\$400.00) during the term of this **Contract**. In order to obtain coverage under this benefit the tire tread depth must be a minimum of 3/32". **No Deductible shall apply to this benefit.**
- **Auto Deductible Reimbursement Benefit** – In the event **You** file a claim against **Your** collision or comprehensive auto insurance policy that is paid by **Your** auto insurance company, we will reimburse **You** up to \$250.00 (two hundred and fifty dollars) towards **Your** insurance deductible. **You** must notify us of a claim under this benefit within 60 days of the date of loss in order to collect **Your** reimbursement under this benefit.

#### **FOR EMERGENCY ROADSIDE ASSISTANCE YOU MUST CALL: 1-888-460-0515**

In the event of a non-accident related incident, where failure is due to a defect in material or workmanship, Roadside Assistance is available by calling the toll-free phone number listed above. For the term of your contract, the following 'sign & drive' benefits are available 24 hours a day, 365 days a year, anywhere in the United States (including Alaska & Hawaii) and Canada:

**Towing, Jump Starts, Flat Tire Changes** (using **Your** inflated spare) **Vehicle Fluid Delivery**

(cost of fluids extra) **Lockout Assistance** (key cutting/replacement extra) **Concierge Service** (courtesy help & emergency phone call support - relatives, police, etc.) Only service requests provided through the above listed number will be honored. A Maximum Benefit of \$100.00 (one hundred dollars) per incident applies. The maximum number of incidents for the entire term of this Contract is 3 (three) incidents. Services are not available in areas where state providers are exclusively utilized, such as selected state toll-roads or highways.

**Administered by Emergency Response Marketing, Inc.**

### **Section 3 GENERAL PROVISIONS**

This **Contract** is between **You** and **Us**, and is subject to all the terms and conditions herein:

**Contract Period** - Coverage under this **Contract** begins on the **Vehicle Purchase Date** as shown on the Information Schedule and will expire at 12:01 a.m. Eastern Standard Time on the **Expiration Date** or upon reaching the **Expiration Odometer**, whichever occurs first, as shown on the Information Schedule. The **Contract** period includes the **Elimination Period** as described under **Definitions** section of this **Contract**.

#### **Limit(s) of Liability**

**Per Repair Visit** – Our liability for any one (1) **Breakdown** shall not exceed the **Actual Cash Value** of **Your Vehicle** at the time of **Breakdown**.

**Aggregate** –The total aggregate of all claims paid or payable for all **Breakdowns** collectively shall not be greater than the retail value of **Your Vehicle** at the time **You** purchased **Your Vehicle**, (excluding tax, title and license fees), as determined by a generally acceptable **Vehicle** retail pricing guide.

**Deductible** - In the event of a **Breakdown** covered by this **Contract**, **You** may be required to pay a **Deductible** for each repair visit to repair or replace a Covered Part. To determine if a **Deductible** applies, and if so, the amount, please see the **Deductible** entry shown on the Information Schedule.

If, at the time of payment of any claim under this service contract, there remains an outstanding balance on the purchase price of this service contract, **Administrator** may, in its sole discretion, withhold all or a portion of the payment and apply it to reduce the outstanding balance of the purchase price.

#### **Transferability**

This **Contract** may be transferable to another individual that **You** sold or otherwise transferred **Your Vehicle** to while this **Contract** is still in force. This **Contract** cannot be transferred if the title transfer of **Your Vehicle** passes through an entity other than the subsequent buyer, or if **Your Vehicle** is sold or traded to a vehicle dealership, leasing agency or entity/individual in the business of purchasing and/or selling vehicles. This **Contract** can only be transferred once and the transfer must be initiated by You.

- (1) In order to transfer this **Contract**, the following must be submitted to the **Administrator** within thirty (30) days of the change of ownership to the subsequent individual purchaser:
  - (a) The original **Contract**,
  - (b) A completed Transfer Form requesting transfer signed by **You** and the individual purchaser of **Your Vehicle** and listing the date of transfer and the then-current odometer mileage,
  - (c) A seventy-five dollar (\$75.00) transfer fee made payable to the **Administrator**, and
  - (d) Copies of all maintenance records.
- (2) Forward all required documentation to the **Administrator** at the address shown in this **Contract**.
- (3) Any manufacturer's **Warranty** must also be transferred at the same time as **Vehicle** ownership transfer. Note: The term and/or coverage under some **Vehicle** manufacturer's warranties are reduced upon transfer to a subsequent **Vehicle** owner.
- (4) **Breakdowns** to components covered by the manufacturer during the term of the original manufacturer's **Warranty** are not covered under this **Contract** regardless of transfer.
- (5) Copies of all maintenance records and original receipts showing actual oil changes and manufacturer's recommended maintenance must be given to the new owner and provided to the **Administrator** at the time of submission of the transfer request. These maintenance records must be retained along with similar documentation for future maintenance work that the new owner has performed in accordance with, **YOUR RESPONSIBILITIES**.

If these requirements are not met, the **Administrator** has the right to deny transfer of this **Contract**.

### **Cancellation of Your Contract**

**You** may cancel this **Contract** at any time by:

- 1) **You** contacting the **Producer** to complete and sign the cancellation form.
- 2) Mailing the completed cancellation form to the **Producer** of **Your** desire to cancel the **Contract**.
- 3) **Your** request must be accompanied by a notarized affidavit indicating the odometer reading of **Your Vehicle** at the date of the request of cancellation.
- 4) **Your** request for cancellation must be made no later than forty-five (45) days of the date that the cancellation is to become effective, except in the case **Your Vehicle** is stolen or becomes a total loss. In that case, the **Administrator** may request supporting documentation from **Your** primary insurance company or police reports indicating dates and mileage at time of incident.

**We** may cancel, at any time if:

- 1) **Your Vehicle** is totaled or repossessed;
- 2) **Your Vehicle's** odometer is disconnected or altered such that the true and actual mileage of **Your Vehicle** cannot be determined;
- 3) **Your Vehicle** is used in a manner not covered by this **Contract**, including **Vehicle** modifications not recommended by the manufacturer;
- 4) The charge for this **Contract** is not paid;
- 5) **You** employed intentional misrepresentation in obtaining this **Contract**;
- 6) **You** employed intentional misrepresentation in the submission of a claim;
- 7) **Your Vehicle** does not have a valid manufacturer VIN;

- 8) **Your Vehicle's** title is branded as salvage, junk, rebuilt, totaled, flood damaged or manufacturer buyback;
- 9) **Your** claim aggregate has reached **Your Vehicle's** initial purchase price;
- 10) **You** fail to maintain **Your Vehicle** in accordance with this **Contract**;
- 11) **You** fail to prove that the maintenance was completed by not submitting valid documents from a licensed **Repair Facility** to the **Administrator**.

We will notify **You** of cancellation by first class mail. This notice of cancellation will state one or more of the above noted items as basis of cancellation and will include any reimbursement required. The cancellation will be effective as of the date of termination as stated in the notice of cancellation.

#### **Refund Calculation**

If this **Contract** is cancelled within the first sixty (60) days from the effective date, **We** will refund the entire **Contract** charge paid. If this **Contract** is cancelled after the first sixty (60) days, **We** will refund an amount of the **Contract** charge according to the pro-rata method reflecting the greater of the days in force or the **Miles** driven based on the term of the plan selected and the date **Coverage** begins, less a fifty dollar (\$50.00) administrative fee, if applicable. If a claim has been paid under the terms and conditions of this **Contract**, the amount of ALL claims paid will be deducted from any refund due, where permitted by law. In the event of cancellation, the lienholder, if any, will be named on a cancellation refund check, as their interest may appear.

**Our Rights to Recover Payment** - If **You** have a right to recover against another party for anything **We** have paid under this **Contract**, **Your** rights shall become **Our** rights. **You** shall do whatever is necessary to enable **Us** to enforce these rights. **We** shall recover only the excess after **You** are fully compensated for **Your** loss.

**Insurance** - **Our** obligations under this **Contract** are insured under an Insurance Policy issued by Western Insurance Company 675 W. Moana Lane, Reno, Nevada 89509. In the event **We** cease to operate, are bankrupt or **Your** claim is not paid within sixty (60) days after proof of loss has been filed, **You** may file a direct claim with Western Insurance Company. To do so, please call the following toll-free number for instructions: 1-877-829-6650.

#### **Section 4 WHAT IS NOT COVERED**

This **Contract** does not provide **Coverage**:

- 1) **FOR ANY CLAIM OR BREAKDOWN NOT RECEIVING PRE-AUTHORIZATION FOR REPAIRS FROM THE ADMINISTRATOR.**
- 2) **FOR REPAIRS TO ANY PART OR PARTS OF THE DESCRIBED VEHICLE NOT SPECIFICALLY LISTED IN SECTION 2, BREAKDOWN COVERAGES, OF THIS CONTRACT AND FOR ANY OF THE FOLLOWING FACTORY INSTALLED PARTS: CB RADIO, RADAR DETECTOR, STEREO EQUALIZER, ON BOARD GLOBAL POSITIONING SYSTEM (UNLESS THE OPTIONAL SURCHARGE IS PAID), FAX MODEM, BUILT-IN TV AND VCR, VIDEO GAME SYSTEM, COMPUTER SYSTEM INCLUDING PRINTER, CARBURETOR, BATTERY, BATTERY CABLES, SHOCK ABSORBERS, MANUAL TRANSMISSION CLUTCH ASSEMBLY (FRICTION CLUTCH DISC, PRESSURE PLATE AND THROW OUT AND PILOT BEARING), MANUAL AND HYDRAULIC LINKAGES, TRANSMISSION AND BRAKE CABLES, DISTRIBUTOR CAP AND ROTOR, SAFETY RESTRAINT SYSTEMS (INCLUDING AIR BAGS), GLASS, LENSES, HEADLAMPS AND PROJECTION LAMP ASSEMBLIES, SEALED BEAMS, LIGHT BULBS, FUSES, CIRCUIT BREAKERS, BRAKE ROTORS AND DRUMS, EXHAUST SYSTEMS, EMISSION COMPONENTS, WINDSHIELD WIPER ARMS, WEATHER STRIPS, TRIM, MOLDINGS, BRIGHT METAL, CHROME, UPHOLSTERY AND CARPET, ZIPPERS, NUTS, BOLTS AND FASTENERS, (EXCEPT WHEN REPLACEMENT IS REQUIRED DURING A COVERED REPAIR) FREEZE PLUGS, CUP HOLDERS, ASH TRAYS, DASH PAD, SQUEAKS, RATTLES, WATER LEAKS, WIND**

**NOISE, SEAT FRAMES, PAINT, OUTSIDE ORNAMENTATION, INSIDE AND OUTSIDE DOOR HANDLES, HINGES, MIRRORS, MIRROR HINGES, MIRROR HOUSINGS, HUBCAPS, BUMPERS, BODY SHEET METAL AND PANELS, BODY PARTS, FRAME, BRACKETS AND STRUCTURAL BODY PARTS, VINYL AND CONVERTIBLE TOPS, TIRES (EXCEPT AS MAY OTHERWISE BE PROVIDED UNDER THE TIRE COVERAGE BENEFIT OPTION).**

- 3) FOR MAINTENANCE SERVICES AND PARTS DESCRIBED IN YOUR VEHICLE'S OWNER MANUAL AS SUPPLIED BY THE MANUFACTURER AND OTHER NORMAL MAINTENANCE SERVICES AND PARTS WHICH INCLUDE, BUT ARE NOT LIMITED TO: ALIGNMENTS, ADJUSTMENTS, CLEANING, WHEEL BALANCING, TUNE-UPS, SPARK PLUGS, SPARK PLUG WIRES, GLOW PLUGS, MANUAL TRANSMISSION CLUTCH ASSEMBLY (FRICTION CLUTCH DISC, PRESSURE PLATE, FLYWHEEL, THROW OUT AND PILOT BEARINGS), MANUAL AND HYDRAULIC LINKAGES, HOSES, DRIVE BELTS, SHOP SUPPLIES AND ENVIRONMENTAL WASTE CHARGES.**
- 4) FOR DAMAGE AND/OR BREAKDOWN RESULTING FROM COLLISION, ROAD HAZARD, FIRE, THEFT, VANDALISM, RIOT, EXPLOSION, LIGHTNING, EARTHQUAKE, WINDSTORM, VOLCANIC ERUPTION, FREEZING RUST OR CORROSION, WINDSTORM, HAIL, WATER OR FLOOD, ACTS OF GOD, SALT, ENVIRONMENTAL DAMAGE, CHEMICALS, CONTAMINATION OF FLUIDS, FUELS, COOLANTS, LUBRICANTS OR FOREIGN MATERIAL.**
- 5) FOR DAMAGE RESULTING FROM COAGULATED COOLANTS.**
- 6) FOR ANY BREAKDOWN CAUSED BY MISUSE, ABUSE, NEGLIGENCE, LACK OF SCHEDULED MAINTENANCE REQUIRED BY THE MANUFACTURER'S MAINTENANCE SCHEDULE FOR YOUR VEHICLE, OR IMPROPER SERVICING OR REPAIRS PERFORMED BY YOU OR A REPAIR FACILITY. FAILURE TO PROVIDE VERIFIABLE PROOF OF MAINTENANCE WILL/ MAY VOID COVERAGE. FOR ANY BREAKDOWN CAUSED BY PRE-IGNITION, DETONATION, CARBON, SLUDGE OR VARNISH BUILD-UP, LUBRICANT BLOCKAGE OR THE FAILURE TO MAINTAIN PROPER LEVELS OF LUBRICANTS, AND/OR COOLANTS,**
- 7) ANY BREAKDOWN RESULTING FROM FAILURE TO PROTECT YOUR VEHICLE FROM FURTHER DAMAGE WHEN BREAKDOWN HAS OCCURRED. YOU ARE RESPONSIBLE FOR MAKING CERTAIN THAT THE OIL AND TEMPERATURE WARNING LIGHTS/GAUGES ARE FUNCTIONING PROPERLY. YOU MUST PULL OFF THE ROAD IMMEDIATELY IN A SAFE MANNER AND DISCONTINUE VEHICLE OPERATION WHEN EITHER OF THESE LIGHTS/GAUGES INDICATES INADEQUATE PROTECTION OR PERFORMANCE.**
- 8) FOR ANY REPAIR OR REPLACEMENT OF ANY COVERED PART IF A BREAKDOWN HAS NOT OCCURRED.**
- 9) IF ANY ALTERATIONS HAVE BEEN MADE TO YOUR VEHICLE OR YOU ARE USING OR HAVE USED YOUR VEHICLE IN A MANNER NOT RECOMMENDED BY THE MANUFACTURER, INCLUDING, BUT NOT LIMITED TO DAMAGE RESULTING TO ANY CUSTOM OR ADD-ON PART OR FAILURE AS A RESULT OF ANY CUSTOM OR ADD- ON PART, INCLUDING BUT NOT LIMITED TO: ALL FRAME OR SUSPENSION MODIFICATIONS, LIFT KITS, OVERSIZED/UNDERSIZED TIRES, TRAILER HITCHES, ENGINE MODIFICATIONS, TRANSMISSION MODIFICATIONS, AND/OR DRIVE AXLE MODIFICATIONS, EMISSIONS AND/OR EXHAUST SYSTEMS MODIFICATIONS. OVERSIZED TIRES THAT CAUSE YOUR ODOMETER TO BE READ IMPROPERLY. YOU MUST RETAIN PROOF THAT YOUR VEHICLE'S ODOMETER HAS BEEN RECALIBRATED SO THAT THE TRUE AND ACTUAL MILEAGE CAN BE DETERMINED. IF PROOF CANNOT BE PROVIDED, THE ADMINISTRATOR HAS THE RIGHT TO RECALCULATE YOUR EXPIRATION MILEAGE IN ACCORDANCE WITH INDUSTRY STANDARDS.**

- 10) IF YOUR VEHICLE DOES NOT HAVE A VALID MANUFACTURER VIN OR IS TITLED BRANDED AS SALVAGE, JUNK, REBUILT, TOTALED, FLOOD DAMAGED OR MANUFACTURER BUYBACK.
- 11) FOR ANY BREAKDOWN, IF YOUR VEHICLE'S ODOMETER IS BROKEN, HAS BEEN ALTERED AND/OR HAS CEASED TO OPERATE SO THE ACTUAL VEHICLE MILEAGE CANNOT BE DETERMINED.
- 12) FOR ANY LIABILITY FOR PROPERTY DAMAGE, OR FOR INJURY TO OR DEATH OF ANY PERSON, ARISING OUT OF THE OPERATION, MAINTENANCE OR USE OF YOUR VEHICLE, WHETHER OR NOT RELATED TO THE PARTS COVERED.
- 13) FOR LOSS OF USE, TIME, SHOP DELAYS, PROFIT, INCONVENIENCE, OR ANY OTHER LOSS OR INCIDENTAL CHARGES.
- 14) WHEN THE RESPONSIBILITY FOR ANY REPAIR IS COVERED BY AN INSURANCE POLICY, SUPPLIER OR REPAIRER GUARANTEE/WARRANTY, MANUFACTURER AND/OR DEALER CUSTOMER ASSISTANCE PROGRAM OR ANY WARRANTY FROM THE MANUFACTURER SUCH AS EXTENDED DRIVE TRAIN, MAJOR COMPONENT OR FULL COVERAGE WARRANTIES (REGARDLESS OF THE REMAINING MANUFACTURER'S WARRANTY WHEN YOU PURCHASED THIS CONTRACT). FURTHER, COVERAGE UNDER THIS CONTRACT IS SIMILARLY LIMITED IN THE EVENT OF A BREAKDOWN IF THE MANUFACTURER HAS ANNOUNCED ITS RESPONSIBILITY THROUGH ANY MEANS, INCLUDING PUBLIC RECALLS AND FACTORY SERVICE BULLETINS.
- 15) IF YOUR VEHICLE IS USED FOR TOWING A TRAILER OR ANOTHER VEHICLE OR OBJECT UNLESS YOUR VEHICLE IS EQUIPPED WITH FACTORY INSTALLED OR FACTORY AUTHORIZED TOW PACKAGE.
- 16) IF YOUR VEHICLE IS USED FOR COMMERCIAL OR BUSINESS USE SUCH AS, BUT NOT LIMITED TO, RENTAL, TAXI, LIMOUSINE OR SHUTTLE, TOWING OR ROAD REPAIR OPERATIONS, CONSTRUCTION, JOB SITE ACTIVITIES, HAULING, POLICE OR EMERGENCY SERVICE, PRINCIPALLY OFF-ROAD USE, RACING OR COMPETITIVE DRIVING OR SNOW REMOVAL OR ANY USE INVOLVING REGULAR MULTIPLE DRIVERS.
- 17) FOR DAMAGE BY NON-COVERED PARTS TO COVERED PARTS.
- 18) FOR DAMAGE BY COVERED PARTS TO NON-COVERED PARTS.
- 19) FOR ANY CLAIM IF THE CONTRACT HOLDER NO LONGER OWNS THE VEHICLE REGARDLESS OF WHEN THE BREAKDOWN OCCURRED.
- 20) FOR ANY BREAKDOWN OR CONDITION OCCURRING PRIOR TO THE CONTRACT PURCHASE DATE OR DURING THE CONTRACT ELIMINATION PERIOD.
- 21) FOR ANY BREAKDOWN, IF THE REPAIR INFORMATION PROVIDED BY YOU OR THE REPAIR FACILITY IS NOT TRUE.
- 22) FOR BREAKDOWNS THAT OCCUR TO YOUR VEHICLE OUTSIDE THE UNITED STATES OR CANADA.
- 23) FOR DAMAGE AND/OR BREAKDOWN CAUSED BY THE LEAKING OR FAILURE OF ANY SEAL OR GASKET. THIS EXCLUSION APPLIES TO POWERTRAIN COVERAGE ONLY UNLESS THE OPTION TO COVER SEALS AND GASKETS IS ELECTED AND THE APPLICABLE SURCHARGE IS PAID.
- 24) FOR ANY BREAKDOWN CAUSED BY THE GRADUAL REDUCTION IN PERFORMANCE DUE TO NORMAL WEAR AND TEAR.

## **Section 5 Your Responsibilities**

### Maintenance Requirements and Service History

1. **You** must have **Your Vehicle** checked and serviced in accordance with the manufacturer's recommendations, as outlined in the Owner's Manual for **Your Vehicle**.

Note: **Your** Owner's Manual lists different servicing recommendations based on **Your** individual driving habits and climate conditions. **You** are required to follow the normal or severe maintenance schedule, which ever applies to **Your** conditions. If **You** do not have an Owner's Manual, **You** must change the engine oil and engine oil filter at four (4) Months/four thousand (4,000) mile intervals, whichever occurs first. Failure to follow these maintenance requirements may result in the denial of **Coverage**.

2. If applicable, **You** must replace the engine timing belt at the intervals specified by the **Vehicle** Manufacturer.
3. **You** must retain proof of maintenance for the service on **Your Vehicle**. Proof means repair orders from a Licensed **Repair Facility**. Repair orders from a **Repair Facility** must be readable and understandable, with customer complaint and repair diagnosis, parts, labor hours, **Your Vehicle's** VIN, date, **Vehicle** mileage, **Your** name and signature, **Repair Facility** name, address and phone number, repair totals, Deductible (if applicable), and method of payment to satisfy the repair order. Proof of maintenance may be requested by the Administrator for related repairs.

## **Section 6 Filing a Claim**

If **Your Vehicle** incurs a **Breakdown**, **You** must take the following steps to file a claim:

- 1) Prevent Further Damage – Take immediate action to prevent further damage. This **Contract** will not cover the damage caused by continued operation of **Your Vehicle** after a **Breakdown** has occurred.
- 2) Take **Your Vehicle** to a Licensed **Repair Facility** – If **Your Vehicle** has a **Breakdown**, take **Your Vehicle** to any **Repair Facility**.
- 3) Provide the Licensed **Repair Facility** with a copy of **Your Contract** and/or **Your Contract** number. (Note: All claims must be reported to the **Administrator** prior to expiration of **Your Contract**.)
- 4) Obtain Authorization from the **Administrator** – Prior to any repair being made, instruct the service manager at the **Repair Facility** to contact the **Administrator** to obtain an authorization for the claim. Any claim for repairs without prior authorization will not be covered. We can be contacted at 866-537-5063 Monday through Friday, 8:00 a.m. to 5:00 p.m. Eastern Standard Time.
- 5) Authorize Tear – Down and/or Inspection – In some cases, **You** may need to authorize the **Repair Facility** to inspect and/or tear down **Your Vehicle** in order to determine the cause and cost of the repair. **You** will be responsible for these charges if the failure is not covered under this **Contract**. We reserve the right to require an inspection of **Your Vehicle** prior to any repair being made. We reserve the right to remove the **Vehicle** from the **Repair Facility**.
- 6) Review **Coverage** – After the **Administrator** has been contacted, a review of **Your** claim with the Service Manager will determine what will be covered by this **Contract**.
- 7) Pay any applicable **Deductible** – We will reimburse either the **Repair Facility** or **You** for the **Cost** of the work performed on **Your Vehicle** that is covered by this **Contract** and previously authorized, less any **Deductible**. Once authorization is obtained, and the repair is completed, all repair orders and documentation must be submitted to the **Administrator** within ninety (90) days to be eligible for payment.
- 8) Proof of Service and/or Repair – To obtain payment for a covered repair **You**, or the **Repair Facility** must submit a legible copy or original repair order to the **Administrator**. Repair orders must

be readable and understandable, with customer complaint and repair diagnosis, parts, labor hours, **VIN**, date of repair, **Vehicle** mileage at the time of repair, **Your** name and signature, **Repair Facility** name, address and phone number, repair totals, **Deductible** (if applicable), and method of payment to satisfy the repair order. Proof of maintenance may be requested by the **Administrator** for related repairs. In addition (if applicable), all related invoices (i.e., towing, rental, sublets, etc.) must accompany the repair order for consideration of claim reimbursement.

## **Section 7 ARBITRATION**

This **Contract** requires binding arbitration if there is an unresolved dispute between **You** and **Us** concerning this **Contract**, including the **Cost** of, lack of or actual repair or replacement arising from a **Breakdown**. Under this arbitration provision, **You** give up **Your** right to resolve any dispute arising from this **Contract** by a judge and/or a jury. **You** also agree not to participate as a class representative or class member in any class action litigation, any class arbitration or any consolidation of individual arbitrations. In arbitration, a group of three arbitrators (each of whom is an independent, neutral third party) will give a decision after hearing **Your** and **Our** positions. The decision of a majority of the arbitrators will determine the outcome of the arbitration and the decision of the arbitrators shall be final and binding and cannot be reviewed or changed by, or appealed to, a court of law.

To start arbitration, either **You** or **We** must make a written demand to the other party for arbitration. This demand must be made within one (1) year of the earlier of the date the **Breakdown** occurred or the date the dispute arose. **You** and **We** will each separately select an arbitrator. The two arbitrators will select a third arbitrator called an "umpire." Each party will each pay the expense of the arbitrator selected by that party. The expense of the umpire will be shared equally by **You** and **Us**. Unless otherwise agreed to by **You** and **Us**, the arbitration will take place in the county and state in which **You** live. The arbitration shall be governed by the Federal Arbitration Act (9 U.S.C.A. § 1 et. seq.) and not by any state law concerning arbitration. The rules of the American Arbitration Association (www.adr.org) will apply to any arbitration under this **Contract**. The laws of the state of Illinois (without giving effect to its conflict of law principles) govern all matters arising out of or relating to this **Contract** and all transactions contemplated by this **Contract**, including, without limitation, the validity, interpretation, construction, performance and enforcement of this **Contract**.

### **State Amendments Required by Each State**

#### **(1) Alabama**

**General Provisions** – Section 3 “Cancellation of **Your Contract**” is amended to include:

If **You** cancel this **Contract** within sixty (60) days from the effective date and **You** have not incurred a claim, a ten percent (10%) penalty per month shall be added to a refund that is not paid within forty-five (45) days of return of this **Contract** to the **Selling Dealer** or the **Administrator**. The \$50 administrative fee is deleted and replaced with a \$25 administrative fee.

#### **(2) Colorado**

**General Provisions** – Section 3 “Insurance” is deleted in its entirety and replaced by the following:

**Insurance- Our** obligations under this **Contract** are insured under an Insurance Policy issued by Western Insurance Company, 675 West Moana Lane, Reno, Nevada 89509. 1-877-829-6650. In the event **We** cease to operate, are bankrupt or **Your** claim is not paid within sixty (60) days after proof of loss has been filed, **You** may file a direct claim with Western Insurance Company. To do so, please call the following toll-free number for instructions: 1-877-829-6650.

### **(3) Georgia**

**Definitions** – “**Commercial Use**” definition is amended to exclude “**Delivery of Goods**” **Dispute Resolution** – Section 7 “**Dispute Resolution – Arbitration**” is deleted in its entirety. **General Provisions** – Section 3 “**Cancellation of Your Contract**” is deleted in its entirety and replaced by the following: **Cancellation of Your Contract**

**Cancellation By You-You**, or a person authorized by **You**, may cancel this **Contract** at any time by:

a. Returning to the **Selling Dealer** to complete and sign the cancellation forms.

b. Mailing written notice to the **Selling Dealer** to cancel the **Contract**.

In either instance above, the request must be accompanied by a notarized affidavit/statement indicating the odometer reading at the date of the request. The request for cancellation must be made no later than forty-five days from the date that the cancellation is to become effective (except in the case of repossession, stolen or totaled **Vehicles**). The **Administrator** may request supporting documentation from the primary insurance company or police reports indicating dates and mileage at time of incident.

If **You** cancel this **Contract**, **You** will receive 90% of the unearned pro-rata **Contract** charge. **We** will retain \$50 or 10% of the unearned pro-rata **Contract** charge, whichever is less, as an administrative fee. The refund will be paid to the Lien holder if any, otherwise to **You**.

**Cancellation By Us** - **We** may cancel this **Contract**:

- In the event of fraud;
- In the event of material misrepresentation; or
- If **You** do not pay the **Contract** charge.

If **We** cancel this **Contract**, **We** will mail **You** written notice:

- At least ten (10) days prior to the effective date of cancellation if **You** do not pay the **Contract** charge; or
- At least thirty (30) days prior to the effective date of cancellation for fraud or material misrepresentation.

If **We** cancel this **Contract**, **You** will receive 100% of the unearned pro-rata **Contract** charge. The refund will be paid to the Lien holder if any, otherwise to **You**.

If this **Contract** is financed and **Your Vehicle** is a total loss or is repossessed, **You** authorize **Your** Lien holder (shown on the **information schedule**) to cancel this **Contract** and receive the refund. Should **We** fail to refund the unearned consideration, **You** have the right to receive the refund directly from Western Insurance Company.

**What is Not Covered** – is amended to include:

Exclusion 6. The sentence “..... **For any Breakdown caused by sludge build-up, lubricant blockage or the failure to .....**” is revised to read as “**For any Breakdown caused by the failure to maintain proper levels of lubricants, and/or coolants, or any Breakdown resulting from the failure to protect Your Vehicle from further damage when Breakdown has occurred or Your failure to have Your Vehicle towed to a Repair Facility when continued operation may result in further damage.**”

Exclusion 9. is amended to include: “**When the modifications have been made subsequent to the purchase of this Contract**”.

Exclusion 11. is revised to read as “**For Breakdowns if, while owned by You, Your Vehicle’s odometer is broken, has been altered and/or ceased to operate so the actual Vehicle mileage cannot be determined**”.

Exclusion 20. Is deleted in its entirety.

**Contract Holder’s Responsibilities.** Section 6. #4 – “**Authorize Tear-Down and/or Inspection**” is deleted in its entirety.

### **(4) Hawaii**

**General Provisions** – Section 3 “**Cancellation of Your Contract**” is amended to include:

If **You** cancel this **Contract** within sixty (60) days from the effective date and **You** have not incurred a claim, a ten percent (10%) penalty per month shall be added to a refund that is not paid within forty-five (45) days of return of this **Contract** to the **Selling Dealer** or the **Administrator**.

**(5) Idaho**

Coverage afforded under this **Contract** is not guaranteed by the Idaho Insurance Guarantee Association.

**(6) Illinois**

**General Provisions** – Section 3 “Cancellation of **Your Contract**, How Refunds are Calculated” is amended to include:

The \$50 administrative fee is deleted and replaced with an administrative fee of \$50 or 10% of the refund amount, whichever is less.

**(7) Indiana**

**Your** proof of payment to the issuing dealer for this **Contract** shall be considered proof of payment to the insurance company, which guarantees **Our** obligation to **You**, providing such insurance was in effect at the time **You** purchased this **Contract**.

**(8) Maryland**

**General Provisions** – Section 3 “Cancellation of **Your Contract**” is amended to include:

If **You** cancel this **Contract** within sixty (60) days from the effective date and **You** have not incurred a claim, a ten percent (10%) penalty per month shall be added to a refund that is not paid within forty-five (45) days of return of this **Contract** to the **Selling Dealer** or the **Administrator**.

**(9) Massachusetts**

The following wording is added:

**NOTICE TO CONTRACT HOLDER: THE COVERAGE YOU ARE BUYING IS NOT REQUIRED IN ORDER TO REGISTER OR FINANCE A VEHICLE. THE BENEFITS PROVIDED MAY DUPLICATE EXPRESS MANUFACTURER’S OR SELLER’S WARRANTIES THAT COME AUTOMATICALLY WITH EVERY SALE. YOU CAN BE REQUIRED BY THE SELLER OF THIS COVERAGE TO PURSUE THOSE WARRANTIES WHICH ARE AVAILABLE TO YOU WITHOUT THIS CONTRACT.**

**(10) Missouri**

**Definitions** – “**We**”, “**Us**”, and “**Our**” definition is amended to include: “**Provider**”

**General Provisions** – Section 3 “Cancellation of **Your Contract**, Cancellation by **You**” is amended to include:

If **You** cancel this **Contract** within sixty (60) days from the effective date and **You** have not incurred a claim, then **We** will also pay a ten percent (10%) penalty per month for the period that this refund has not been paid by to the **Selling Dealer** or the **Administrator**, should the required refund not be paid within thirty (30) days of **Our** receipt of the canceled **Contract**. Should a penalty be due and owing, then **We** will pay it to the Lien holder, if any, otherwise to **You**.

Cancellation by **You** will become effective as of the date the written notice of **Your** cancellation is received by **Us**. **We** will mail **You** written notice of **Our** receipt and resulting cancellation of **Your Contract** within fifteen (15) days of the date of cancellation.

**General Provisions** – Section 3 “Insurance” is amended to include:

A claim against the **Provider** may also include a claim for return of the unearned **Provider** fee.

**(11) Nevada**

**General Provisions** – Section 3. “**Contract Period**” is amended to include:

This **Contract** is not renewable.

**General Provisions** – Section 3 “Cancellation of **Your Contract**” is amended to include:

If **You** cancel this **Contract** within sixty (60) days from the effective date and **You** have not incurred a claim, a ten percent (10%) penalty per month shall be added to a refund that is not paid within forty-five (45) days of return of this **Contract** to the **Selling Dealer** or the **Administrator**. **Our** right to cancel for any reason is changed from ninety (90) days to seventy (70) days. **We** may only cancel this **Contract** after seventy (70) days for the following reasons:

- If **You** do not pay the **Contract** charge;
- If **You** are convicted of a crime that results in an increase in the risk covered under this **Contract**;
- If there has been a material misrepresentation or fraud; or

• If **We** discover an act or omission by **You**, or a violation by **You** of any terms or conditions of this **Contract**, after the effective date, that substantially and materially increases the risk covered under this **Contract**.  
In the Section “How Refunds Are Calculated” where the **Contract** is canceled by **Us**, the cancellation period of sixty (60) days is changed to seventy (70) days.

**(12) New Hampshire**

**General Provisions** – Section 3 “Insurance” is amended to include:

If **You** are not satisfied with the insurance company’s response, **You** may contact the New Hampshire Department of Insurance, 21 Fruit Street, Concord, New Hampshire 03301, 1-603-271-2261.

**(13) New Mexico**

**General Provisions** – Section 3 “Contract Period” is amended to include:

This **Contract** is not renewable.

**General Provisions**– Section 3 “Cancellation of **Your Contract**” is amended to include:

If **You** cancel this **Contract** within sixty (60) days from the effective date and **You** have not incurred a claim, a ten percent (10%) penalty per month shall be added to a refund that is not paid within sixty (60) days of return of this **Contract** to the **Selling Dealer** or the **Administrator**.

**Our** right to cancel for any reason is changed from ninety (90) days to seventy (70) days.

**We** may only cancel this **Contract** after seventy (70) days for the following reasons:

- If **You** do not pay the **Contract** charge;
- If **You** are convicted of a crime that results in an increase in the risk covered under this **Contract**;
- If there has been a material misrepresentation or fraud; or
- If **We** discover an act or omission by **You**, or a violation by **You** of any terms or conditions of this **Contract**, after the effective date, that substantially and materially increases the risk covered under this **Contract**.

In the Section “How Refunds Are Calculated” where the **Contract** is canceled by **Us**, the cancellation period of sixty (60) days is changed to seventy (70) days.

**(14) New York**

**General Provisions** – Section 3 “Cancellation of **Your Contract**” is amended to include:

If **You** cancel this **Contract** within sixty (60) days from the effective date and **You** have not incurred a claim, a ten percent (10%) penalty per month shall be added to a refund that is not paid within thirty (30) days of return of this **Contract** to the **Selling Dealer** or the **Administrator**.

**(15) North Carolina**

**General Provisions** – Section 3 “Cancellation of **Your Contract**” is amended to include:

The \$50 administrative fee is deleted and replaced with an administrative fee of \$25 or 10% of the refund amount, whichever is less.

**We** may only cancel this **Contract** at any time for any of the following reasons:

- If there has been a material misrepresentation or fraud by **You**; or
- If **You** do not pay the **Contract** charge.

**(16) South Carolina**

**General Provisions** – Section 3 “Cancellation of **Your Contract**” is amended to include: If **You** cancel this **Contract** within sixty (60) days from the effective date and **You** have not incurred a claim, a ten percent (10%) penalty per month shall be added to a refund that is not paid within forty-five (45) days of return of this **Contract** to the **Selling Dealer** or the **Administrator**.

If **You** have questions, concerns or complaints regarding **Your Contract**, **You** may address them to:

South Carolina Department of Insurance - P.O. Box 100105 - Columbia, South Carolina 29201-3105 1-803-737-6180.

**(17) Texas**

Unresolved complaints or questions concerning the regulation of **Contracts** may be directed to the Texas Department of Licensing and Regulation at P.O. Box 12157, Austin, TX 78711, 1-800-803-9202.

**General Provisions** – Section 3 “Cancellation of **Your Contract**” is amended to include:

If **You** cancel this **Contract** within sixty (60) days from the effective date and **You** have not incurred a claim, this **Contract** shall be void and a 100% refund of the **Contract** charge will be made. A ten percent (10%) penalty per month shall be added to any refund on a voided **Contract** that is not paid within forty-five (45) days of return of this **Contract** to the **Selling Dealer** or the **Administrator**. If **Your** cancellation refund is not paid within forty-five (45) days after the **Contract** has been returned to the **Selling Dealer** or the **Administrator**, **You** may request a refund from Western Insurance Company., 675 W. Moana Lane, Reno, Nevada 89509.

**(18) Utah**

Coverage afforded under this **Contract** is not guaranteed by the Property and Casualty Guaranty Association.

**General Provisions** – Section 7 “Dispute Resolution – Arbitration” is deleted in its entirety and replaced by the following:

**Dispute Resolution – Arbitration**

Any matter in dispute between **You** and **Us** may be subject to arbitration as an alternative to court action pursuant to the rule of The American Arbitration Association or other recognized arbitrator, a copy of which is available on request from **Us**. Any decision reached by arbitration shall be binding upon both **You** and **Us**. The arbitration award may include attorney’s fees if allowed by state law and may be entered as a judgment in any court of proper jurisdiction.

This **Contract** or **Warranty** is subject to limited regulation by the Utah Insurance Department. To file a complaint, contact the Utah Insurance Department.

**General Provisions** – Section 3 “Cancellation of **Your Contract**” is amended to include:

**We** may cancel this **Contract** at any time for any of the reasons listed below:

- For nonpayment of premium;
- For material misrepresentation;
- For substantial changes in the risk assumed, unless the insurer should reasonably have foreseen the change or contemplated the risk when entering into the **Contract**; or
- For substantial breaches in contractual duties, conditions or warranties.

If this **Contract** is financed and **Your Vehicle** is a total loss or is repossessed, **You** authorize **Your** Lien holder (shown on the **Application** page) to receive the refund.

"This **Contract** or **Warranty** is subject to limited regulation by the Utah Insurance Department. To file a complaint, contact the Utah Insurance Department."