

NOTE TO THE CUSTOMER

**THIS SERVICE CONTRACT IS NOT VALID UNLESS A COMPLETED
DECLARATION PAGE ACCOMPANIES THIS SERVICE CONTRACT BOOK**

Thank You.

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DEFINITIONS

Administrator: Refers to Royal Administration Services, Inc., 51 Mill Street, Hanover, MA 02339. Toll-free assistance is available at 1-800-871-0467. In California, Royal Administration Services, Inc is dba RYL Insurance Services, License # 0G81306.

We, Us and Our: Refers to the Provider.

You, Your and Service Contract Purchaser: Refers to You the purchaser of this Service Contract and the vehicle described on the Declarations Page of this Service Contract.

Provider: This vehicle Service Contract is between the Service Contract Purchaser and Protective Administrative Services, Inc., (In California Provider License Number OB71048). In New York this Service Contract is between You and Western Diversified Services, Inc. In Oklahoma this Service Contract is between You and Warranty Business Services Corporation. The Provider's administrative address is: 51 Mill Street, Hanover, MA 02339.

In Maine, We, Us, Our and Provider means the Dealer from whom You purchased the vehicle and this Service Contract.

Service Contract: Refers to this Service Contract and Your completed Declarations Page issued to You and covering Your Vehicle that is described on the Declarations Page of this Service Contract.

Loss and Mechanical Breakdown: Refers to the failure due to defects in materials and workmanship of a covered part to perform the function for which it was designed by its manufacturer.

TERMS AND CONDITIONS

We have contracted with Royal Administration Services, Inc., hereinafter referred to as Administrator to administer this Service Contract. All inquiries should be directed to the Administrator. Toll-free assistance is available at (800) 871-0467.

The Administrator will reimburse You for reasonable costs to repair or replace any of the covered parts listed in this Service Contract if required due to a mechanical breakdown, hereafter referred to as a loss. **It does not include gradual reduction in operating performance due to wear and tear. Damaged parts may be replaced, depending upon availability, with like quality, used, rebuilt, remanufactured, or new parts.** When the cost of a repair for both parts and labor exceeds the cost of replacing the damaged unit with a used, rebuilt, or remanufactured unit, the Administrator reserves the right to select the method of repair. Dollar amount of authorization will be based on selected method of repair. Administrator at all times reserves the right to inspect Your vehicle before providing any authorization in accordance herewith.

In the event of a Loss and Mechanical Breakdown, repairs are limited to a licensed repair facility in the United States, its territories, possessions, or Canada. You must pay, to the repairing facility, the deductible stated on the Declarations Page per visit.

Labor: Labor time-capsules will be determined by a current nationally published flat-rate manual. The labor rate for authorized repairs will be based on the posted labor rate of the licensed repair facility but in no event will the labor rate reimbursement exceed eighty-five dollars (\$85.00) per hour (which shall be deemed the maximum reasonable amount), unless the Enhanced Labor Rate option has been selected.

Optional Enhanced Labor Rate: The labor rate for any covered repair shall be in accordance with the posted labor rate of the licensed repair facility You selected. This option is subject to a surcharge.

In order to receive the full coverage of this Service Contract, **You must, at Your expense, maintain the vehicle in accordance with the manufacturer's recommendations.** In the event of a claim under certain circumstances, evidence of proper service may be required. **Keep receipts from all routine maintenance work performed.**

You are entitled to make a direct claim against the insurance company if the Administrator fails to pay any claim within sixty (60) days after proof of loss has been filed with Administrator.

This Service Contract is backed by Lyndon Property Insurance Company. In New York this Service Contract is backed by Old Republic Insurance Company. See the Notice provision for their address and phone number.

SERVICE CONTRACT VALIDATION PERIOD

This Service Contract is subject to a validation period of time and mileage from the Service Contract purchase date. The length of the validation period for the coverage Plan You have purchased is listed with Your Plan and term information on the Declarations Page of this Service Contract. There is no coverage during the validation period. Coverage will commence upon the expiration of the validation period. This Service Contract will expire according to the time and mileage of the Plan that You have selected. The additional time and mileage contained in the validation period will be added to the Plan's term.

EXPIRATION

This Service Contract expires by time or mileage, whichever occurs first.

Mileage: This Service Contract expiration is measured from the odometer mileage of the vehicle on the Service Contract purchase date.

Time: This Service Contract expiration is measured from the Service Contract purchase date of the vehicle.

BENEFITS

Substitute Transportation: Up to thirty dollars (\$30.00) per 8-hour labor charge, (ninety dollars (\$90) maximum per claim).

24 Hour Roadside Assistance: Includes, but is not limited to: lock out service, battery assist, tow service and road assistance. Coverage is available up to ten (10) times over the term of this Service Contract. Towing coverage provides up to fifty dollars (\$50.00) per occurrence, other benefits provide up to twenty five dollars (\$25.00) per occurrence. Benefits do not include the cost of any parts, fluids or fuels. You must contact the Road Service Processing Center for prior approval and assistance. You will be provided with Your Roadside Assistance number in the welcome letter You receive from the Administrator.

WHAT IS COVERED (See the Declarations Page for the Plan You selected.)

ENGINE COVERAGE: Component 1 is covered

1. **Engine:** Crankshaft and bearings, oil pump, internal timing gears, timing chain, camshaft, camshaft bearings, valve lifters, rocker arm assemblies and push rods, pistons and rings, wrist pins, cylinders, connecting rods, distributor drive gear, all internal components of engine block and cylinder heads, if damage is caused by mechanical failure of an internally lubricated part. Gaskets and external seals will be covered if their replacement is necessary to complete an otherwise authorized repair. Cracked engine block, cylinder heads, and piston cylinders are not covered. Broken crankshaft is covered if break is caused by either bearings or piston failure. Valve guides are covered only when guide sleeves have not slipped below original position.

POWERTRAIN COVERAGE: Components 1 through 3 are covered.

2. **Transmission/Transaxle:** The internal components of the automatic transmission or manual transmission. Drive chain gears, carrier bearings, and internal transaxle seal. The manual transmission case and automatic transmission case and torque converter, transfer case, drive gears, forks, bearing thrust washer, bushing, washer, and housing are covered, if damaged by the failure of internally lubricated parts.

3. **Differential Assembly Components (2 & 4 wheel drive):** (Front & rear) differential housing including pinion bearings, side carrier bearings, ring and pinion gears, carrier assembly, washers, axles, axle bearings.

POWERTRAIN PLUS COVERAGE: Components 1 through 5 are covered.

4. **Cooling System:** Water pump, thermostat, mixture control valve, overflow reservoir.

5. **Fuel System:** Fuel pump, pressure regulator, fuel injector.

OPTIONAL COVERAGE (For Engine, Powertrain or Powertrain Plus Coverage Plans)

Air Conditioner: Compressor, however if the damaged or malfunctioning compressor causes damage to the expansion valve, or receiver dryer, the damaged component(s) will be replaced. **Coverage applies to factory installed, non-retrofitted units only.**

CLASSIC COVERAGE

Includes covered components 1 through 5 listed for Engine, Powertrain and Powertrain Plus Coverage plus components 6 through 11.

6. Timing Belt: If Service Contract Purchaser has followed manufacturer's recommended maintenance intervals for replacement.

7. CV Joints: CV boots must not be torn at the time of failure. Lubricated joint failure only. **Universal Joint (U Joint) is not included.**

8. Steering: Internally lubricated parts contained within the steering box and pump housing, including rack and pinion, control valves, internal oil control seals, bearings, and shafts, steering box and pump housings if damaged by the failure of internally lubricated parts.

9. Electrical: Alternator, starter motor, front wiper motor, cooling fan motor, heater blower motor, electric horn, clock, switches for the following; neutral safety, overdrive, reverse indicator, power windows, power door locks.

10. Seals and Gaskets: Head gasket and intake manifold gaskets are covered for coolant leaks only on vehicles with up to 125,000 miles at the time of failure.

11. Air Conditioner: Compressor, however if the damaged or malfunctioning compressor causes damage to the expansion valve, or receiver dryer, the damaged component(s) will be replaced. **Coverage applies to factory installed, non-retrofitted units only.**

PREMIER COVERAGE

Includes covered components 1 through 11 listed above for Engine, Powertrain and Powertrain Plus and Classic coverage plus 12 through 20.

12. Seals & Gaskets: All seals and gaskets are covered for premature failure on vehicles with up to 125,000 miles at the time of failure. **Seepage of seals and gaskets is considered normal wear and tear and is not covered under this Service Contract. Any damage due to loss of fluid is not covered.**

13. Hi-Tech Electrical: Alternator, starter motor, front and rear wiper motor, cooling fan motor, fuel gauge, cooling sender, neutral safety switch, overdrive switch, reverse indicator switch, voltage regulator, distributor, ignition module, ignition coil, starter solenoid, wiring harness, power window switches, door lock switches, cruise control module, power window motors, power seat motors, power door lock actuator and switch, power sunroof motor, mileage computer, electronic instrument cluster, distributor ignition coil, automatic climate control electronic control module, head light switch, convertible top motor, clock, electric horn.

14. Cooling System Plus: Blower motor, heater core, electric radiator fan motor, fan clutch, fan blade, overflow reservoir.

15. Suspension: Control arms, control arm shafts, bearings and bushings, radius arm and bushing, wheel bearings, stabilizer bar, stabilizer link, stabilizer bushing, spindle, torsion bars, mode selector switch, height sensor computer, control module, actuator.

16. Fuel System Plus: Mechanical fuel pump, electric fuel pump, vacuum pump, metal fuel delivery lines, fuel tank, fuel sender, pressure regulator, fuel injectors.

17. Brake System: Master cylinder, wheel cylinders, disc brake calipers, ABS master cylinder, vacuum booster, hydraulic lines and fittings, pressure modulator valve, isolation dump valve, accumulator, wheel speed sensors.

18. Turbo Charger/Supercharger: All internally lubricated parts due to mechanical failure.

19. Air Conditioner: Condenser, compressor, evaporator, accumulator, compressor clutch, idler pulley, idler pulley bearing, hi/low compressor cutoff switch, pressure cycling switch, cooling fan motors. **Coverage applies to factory installed, non-retrofitted units only.**

20. Fluids: Engine oil, power steering fluid, antifreeze, and transmission fluid are all covered items when required during the authorized repair process.

SURCHARGE COVERAGE

1 Ton Vehicle

Turbo Charger/Supercharger: (If You are purchasing an Engine, Powertrain, Powertrain Plus or Classic Plan and Your vehicle is equipped with a Turbo Charger/Supercharger, **this surcharge must be selected on the Declarations Page**). The following benefits are provided to You: All internally lubricated parts due to mechanical failure.

WHAT IS NOT COVERED

1. ANY REPAIR OR REPLACEMENT MADE WITHOUT PRIOR AUTHORIZATION FROM THE ADMINISTRATOR.

2. Any parts not listed under covered parts. Examples of parts not covered are: battery, brake drums, disc brake rotors, brake linings and disc brake caliper pads, shock absorbers, bolts, nuts, fasteners, standard transmission clutch assembly, and manual and hydraulic linkages. Passive or active safety and restraint systems and any sensors/components related to the operations of these systems. All electric powered or hybrid fuel parts including, but not limited to: electric fuel cells, regenerative braking systems or electronic memory systems.

3. Any breakdown caused by collision, fire, theft, vandalism, riot, explosion, lightning, earthquake, overheating, freezing, rust or corrosion, windstorm, hail, water, or flood.

4. Any breakdown caused by misuse, abuse, negligence, lack of normal maintenance (adjustments, alignments, tune-ups, etc.), failure to protect Your vehicle from further damage when a breakdown has occurred, failure to maintain proper levels of lubricants and/or coolants, or if Your vehicle has been used for racing or any other forms of competitive driving, plowing snow, or for towing a trailer weighing in excess of 2,000 pounds or any vehicle or object unless Your vehicle is equipped with a factory-installed or authorized tow package.

5. The repair of valves and/or rings, if the purpose of such is simply to raise the engine's compression when a mechanical breakdown caused by the failure of a covered part has not occurred. This is considered normal wear and tear, and not a mechanical breakdown. Also, no benefit is provided for a condition which already existed when You purchased Your Service Contract or for a mechanical breakdown which occurred before You purchased Your Service Contract. Repair or replacement of any covered part if a breakdown has not occurred.

6. Any alterations which have been made to Your vehicle, or You are using or have used Your vehicle in a manner which is not recommended by the manufacturer, including the failure of any custom or add-on part.

7. INELIGIBLE VEHICLES: Any vehicle not expressly listed on the current contract rate card or classification list: vehicles with True Mileage Unknown (TMU); vehicles over 1 ton classification, taxis, buses, and city and state owned vehicles; vehicles used for commercial purposes, racing competition, time trials or rallies; vehicles modified from manufacturer's specifications; vehicles not purchased/authorized through a licensed authorized agent; vehicles with fifth wheel or a snow plow attachment; and vehicles purchased by a minor. Any vehicle that has been assigned a salvage title as a result of flood or fire damage.

8. Prior repairs which are the subject of any third party warranty or any prior repairs where there is demonstrable negligence or failure in workmanship; Repairs for which the responsibility is covered by any warranty of the manufacturer such as extended drive train coverage, or a

repairer's guarantee. Further, coverage under this Service 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.

9. Any breakdown caused by contamination of fluids, fuels, coolants, or lubricants, or rust or corrosion.

10. Liability for damage to property, or for injury to or death arising out of the operation, maintenance or use of Your vehicle described in this Service Contract, whether or not related to the part covered.

11. Any loss caused by a lack of proper and necessary amount of coolants or lubricants.

12. Maintenance services and parts described in Your vehicle's owner's manual as supplied by the manufacturer. These include, but are not limited to: filters, lubricants, coolants, fluids, refrigerants, alignments, tune-ups, spark plugs, hoses, belts, brake pads, wiper blades, light bulbs, exhaust systems, trim moldings, upholstery, carpet and paint.

13. A repair occurring outside of the United States, its territories, possessions, or Canada.

LIMIT OF LIABILITY

Our liability under any Plan shall in no event exceed the actual cash value (ACV) of Your vehicle before breakdown as determined by standard industry practices. The total of all coverage and benefits paid or payable under this Service Contract shall not exceed the price You paid for Your vehicle.

CANCELLATION OF SERVICE CONTRACT

1) You may cancel this Service Contract at any time.

a. Cancellation requests received within the first thirty (30) days will receive a full refund, less any claim payments.

b. Cancellations after the first thirty (30) days will receive a pro-rated refund based upon term or mileage, whichever is greater. The refund of the unearned Service Contract price paid is less any claim payments that have been approved and less a fifty dollar (\$50.00) cancellation fee.

c. Return to the vendor to complete and sign the cancellation forms, or

d. Mail written notice to the vendor if You desire to cancel the Service Contract.

The Administrator agrees to pay on behalf of the vendor, the unearned refund based on the consideration received from the vendor. The vendor agrees to pay the unearned portion of the commission originated from the Service Contract sale. Neither the vendor's administrator nor the claims servicer, nor the vendor's insurance company, can be held liable for the return of the purchase price or any part thereof paid under this Service Contract.

A notarized odometer statement indicating the odometer reading at the date of the request will be required.

The request for cancellation must be made no later than forty-five (45) days from the date that the cancellation is to become effective, (except in 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 the time of incident.

2) We may cancel at any time if:

a. Your vehicle is totaled or is repossessed.

b. Your vehicle's odometer is disconnected or altered or the true and actual miles cannot be determined.

c. Your vehicle is used in a manner not covered by the Service Contract, including vehicle modifications not recommended by the manufacturer.

d. The charge for the Service Contract is not paid.

e. You made material misrepresentation in obtaining the Service Contract.

f. You made material misrepresentation in the submission of a claim.

- g. Your vehicle does not have a valid manufacturer vehicle Identification Number (VIN).
- h. The vehicle's title is branded as salvage, junk, rebuilt, totaled or flood damaged.
- i. Your claim aggregate has reached the original vehicle purchase price.

Notice of such cancellation will be delivered to You by registered mail. The notice of cancellation will state one of the above mentioned reasons for 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.

When a lending institution or the Selling Vendor (in-house) has financed the purchase of this Service Contract, cancellations will be pro-rated based on time or mileage. The following procedures will apply:

- If a lending institution has financed the purchase of this Service Contract and the Service Contract is cancelled by You, the refund check will be made payable to the lending institution.
- If the vehicle is repossessed by the lienholder, or if the vehicle is either totalled or an unrecovered theft, the refund check will be made payable to the lienholder.
- All appropriate refund checks not involving a lienholder will be made payable to the selling vendor.

TRANSFER OF SERVICE CONTRACT

This Service Contract may be transferred upon sale of the vehicle to another private party. The Service Contract transfer must be made at the time of the vehicle transfer. You must request the transfer in writing, and it must be received by the Administrator within seven (7) days of the transfer. A fee of twenty five dollars (\$25.00) must accompany the request to transfer, along with the following information:

- 1. Name of New Owner**
- 2. Address & Telephone Number**
- 3. Vehicle Odometer Statement**
- 4. Copy of Title showing transfer.**

This Service Contract must be given to the new owner at the time the Service Contract transfer is completed. Transfer of this Service Contract does not include transfer of the 24 Hour Roadside Assistance Program.

FINANCING AND PAYMENT PROVISIONS

INSTALLMENT PAYMENT PROVISION

In the event that Your Service Contract is being paid for via a Retail Installment Service Contract (or its equivalent) which is terminated for nonpayment, the expiration date and mileage of this Service Contract may be modified to reflect the portion of the Service Contract that You have paid for. The modified expiration date and mileage of this Service Contract will be calculated on a pro rata basis by adding the amount of time and mileage that You have paid for to the original in service date and in service mileage of the Service Contract. You may contact the Administrator toll-free at (800) 871-0467 for the modified terms of Your Service Contract.

LIEN HOLDER CANCELLATION

If Your vehicle and this Service Contract have been financed, the lien holder shown on the Declarations Page may cancel this Service Contract for the default of the loan contract or if Your vehicle is declared a total loss due to an accident or theft or is repossessed. **In such event, immediate notification and submission of documents to the Administrator is required.**

ARBITRATION

It is understood and agreed that the transaction evidenced by this Service Contract takes place in and substantially affects interstate commerce. Any controversy or dispute arising out of or relating in any way to this Service Contract or the sale thereof, including for recovery of any claim under this Service Contract and including the applicability of this arbitration clause and the validity of this Service Contract, shall be resolved by neutral binding arbitration. The arbitration will be governed by the rules and provisions of the most appropriate dispute resolution program of the American Arbitration Association ("AAA") in effect at the time the arbitration is demanded, including the supplementary

procedures for consumer related disputes (www.adr.org). When appropriate as requested by either party, the arbitration will be before a panel of three arbitrators selected as follows: (1) one by the Provider; (2) one by You; and (3) one by the arbitrators previously selected. The arbitrators will be selected as provided in the AAA rules governing the arbitration. If You, the Provider or any agent of the Provider have any dispute between or among them that is subject to arbitration and is related to any dispute covered by this arbitration clause, You and the Provider consent to a joining of the arbitration proceedings. You will not have the right to participate in a class action or any other collective proceeding against the Provider. Only a court, and not arbitrators, can determine the validity of this class action waiver.

- a. If You dispute Our determination to deny You benefits under this Service Contract, You must submit written notice to Us of Your intent to arbitrate that dispute no later than sixty (60) days following Our determination. Your failure to meet this time requirement will prevent You from disputing Our determination, whether through arbitration or otherwise.
- b. The arbitration shall take place within sixty (60) days of written notice of intent to arbitrate in a location near Your residence.
- c. Except for the filing fee and the costs You may incur to present Your case, the cost of the arbitration shall be borne by Us provided, however, that should the arbitrators find that You have raised a dispute without substantial justification, the arbitrator shall have the authority to order that the cost of the arbitration proceedings be borne by You.
- d. It is understood and agreed that the arbitration shall be binding upon the parties, that the parties are waiving their right to seek remedies in court, including the right to a jury trial, and that an arbitration award may not be set aside in later litigation except upon the limited circumstances set forth in the Federal Arbitration Act.
- e. All statutes of limitation that would otherwise be applicable shall apply to any arbitration proceeding. Neither party shall be precluded from instituting an action in a court of competent jurisdiction to obtain a temporary restraining order, a preliminary injunction or other equitable relief to preserve the status quo or prevent irreparable harm pending the selection of the arbitrator or the commencement and completion of the arbitration hearing. Neither party may recover exemplary damage awards in any arbitration proceeding.
- f. The agreement to arbitrate will survive the termination of this Service Contract.

IF THIS SERVICE CONTRACT IS FOUND NOT TO BE SUBJECT TO ARBITRATION, ANY LEGAL PROCEEDING WITH RESPECT TO ANY DISPUTE WILL BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE WITHOUT A JURY. BOTH PARTIES WAIVE ANY RIGHT TO A JURY TRIAL IN ANY SUCH PROCEEDING.

TO FILE A CLAIM

If Your vehicle breaks down, take it to any reputable/licensed repair facility. You will need to provide the repair facility with a copy of Your Service Contract.

CLAIM PROCEDURE - NO REPAIRS OR MACHINE WORK ARE TO BE STARTED OR DAMAGED PARTS TO BE DISCARDED UNTIL FAILURE IS DIAGNOSED AND WORK IS AUTHORIZED BY THE ADMINISTRATOR. IT IS YOUR RESPONSIBILITY TO HAVE THE FAILURE PROPERLY DIAGNOSED. YOU ARE RESPONSIBLE FOR AUTHORIZING THE TEAR DOWN AND THE INSPECTION BY THE REPAIR FACILITY, BUT ONLY TO THE POINT WHERE THE DAMAGE IS VISIBLE OR DETERMINABLE. YOUR VEHICLE MAY BE REPAIRED AT ANY LICENSED REPAIR FACILITY OF YOUR CHOICE.

THE SERVICE MANAGER MUST:

1. Obtain Your authorization to inspect and/or tear down Your vehicle in order to determine the cause of failure and cost of the repair.
2. Call the Administrator to verify Your coverage and to obtain a Claim Authorization Number. For Claims/Customer Service (800) 871-0467.
3. Review Your coverage with You to explain what will be covered by the Service Contract and what portions of the repairs, if any, will not be covered.

WHEN YOU PICK UP YOUR VEHICLE, YOU MUST:

- 1. Review the work performed with the service manager.**
- 2. Pay the deductible amount shown on the Declarations Page per visit.**
- 3. Pay for any charges not covered by this Service Contract.**
- 4. Have an authorization number.**

PAYMENT OR REIMBURSEMENT OF CLAIMS

PAYMENT OPTION: When the damage and repair falls within the scope of this Service Contract, and authorization to proceed with the repair is obtained from the Administrator and the repair work is completed, We will then reimburse You or the repair facility for the approved cost of the work performed on Your vehicle that is covered by this Service Contract less the Deductible, if any. The Administrator will arrange for such payment by check or nationally recognized credit card (usually Visa®, Mastercard® or American Express®).

REIMBURSEMENT OPTION: You or the repair facility may claim reimbursement from the Administrator, by submitting the paid invoice to the address below. **Claims must be submitted within one hundred eighty (180) days from the Administrator authorization date to qualify for reimbursement. The following information must be included with Your paid invoice and is generally supplied to You by the repair facility You selected:**

1. Your mechanical complaint.
2. Itemized listing of replacement parts names, numbers and prices.
3. Description of labor and charges necessary to correct the mechanical failure.
4. Vehicle Mileage.
5. Date of Repair.
6. Authorization and Service Contract number.
7. Completed repair order (all applicable sublet repair bills). Rental Car contract charges (licensed rental agency only) will be reimbursed to You upon receipt by the Administrator of the paid rental contract charges.

NOTICE: Our obligations under this Service Contract are backed by Lyndon Property Insurance Company, a Protective Company, 14755 North Outer Forty Road, Suite 400, St. Louis, MO 63017. Lyndon Property Insurance Company's toll-free telephone number is (800) 950-6060. If a valid claim is not paid within sixty (60) days after proof of loss has been filed with Us, You may contact Lyndon Property Insurance Company.

In New York, Our obligations under this Service Contract are backed by Old Republic Insurance Company. If a valid claim is not paid within sixty (60) days after proof of loss has been filed with Us, You may contact Old Republic Insurance Company by writing Policyholder Services: 14755 North Outer Forty Road, Suite 400, St. Louis, MO 63017.

**Administrator:
Royal Administration Services, Inc.
51 Mill Street • Hanover, MA 02339
Phone: 1-800-871-0467 • Fax: 781-261-2522**

STATE REQUIREMENTS

The following Special State Requirements and/or Disclosures apply if this Service Contract was purchased in one of the following states:

ALABAMA

The following are changes under the CANCELLATION OF SERVICE CONTRACT section:

Items 1) a. and b. are deleted and replaced with the following:

1) You may cancel this Service Contract at any time.

a. If this Service Contract is cancelled by You within the first thirty (30) days of the effective date of this Service Contract and if You have not incurred a claim, the entire Service Contract price will be refunded. An administrative fee will not be charged. If this Service Contract is cancelled within the first thirty (30) days without an incurred claim and a refund is not paid or credited within forty-five (45) days after the return of the Service Contract, a ten percent (10%) penalty per month shall be added to the refund.

b. Cancellation after the first thirty (30) days will receive a pro-rated refund base upon term or mileage, whichever is greater. The refund of the unearned contract price paid is less any claim payments that have been approved and less a twenty-five dollar (\$25.00) cancellation fee.

The following is added to item 2):

The Administrator will mail a written notice of cancellation to You at Your last known address at least five (5) days prior to cancellation by the Administrator. Prior notice is not required if the reason for cancellation is non-payment of the Service Contract price or a material misrepresentation by You relating to the Vehicle.

ALASKA

Under WHAT IS NOT COVERED, Section 4. is amended by adding the following:

This Service Contract does provide Coverage if Your Vehicle is used for snow removal, provided Your Vehicle is properly equipped for such use and is not used commercially.

The following language is added to TO FILE A CLAIM:

Any undisputed portion of a claim will be paid within thirty (30) days after proof of loss has been filed. If a covered claim is not paid within thirty (30) days after proof of loss has been filed, You may file a claim directly with the Insurance Company.

The following are changes under the CANCELLATION OF SERVICE CONTRACT section:

Items 1) a. and b. are deleted and replaced with the following:

a. In the event of cancellation of this Service Contract within sixty (60) days from the date of purchase of the vehicle, We agree to refund the full purchase price to You, less any claims, paid or pending.

b. If this Service Contract is cancelled beyond sixty (60) days from the date of purchase of the vehicle, We will calculate and make a pro-rata refund based on time or mileage, whichever refund is less. Said refund will be calculated less seven and one-half percent (7.5%) of unearned premium not to exceed fifty dollars (\$50.00).

The refund will be returned within forty-five (45) days of receipt of cancellation request or effective date of cancellation whichever is later.

ARIZONA

Under Cancellation of Service Contract, Items 1) a. and b. are deleted and replaced with the following:

1) You may cancel this Service Contract at any time.

a. Cancellation requests received within the first thirty (30) days will receive a full refund.

b. Cancellations after the first thirty (30) days will receive a pro-rated refund based upon term or mileage, whichever is greater. The refund of the unearned Service Contract price paid will be less a fifty dollar (\$50.00) cancellation fee.

The following are changes under the WHAT IS NOT COVERED section:

Item 4. is deleted and replaced with the following:

4. Any breakdown caused by Your misuse, abuse, negligence, lack of normal maintenance (adjustments, alignments, tune-ups, etc.), failure to protect Your vehicle from further damage when a breakdown has occurred, failure to maintain proper levels of lubricants and/or coolants, or if Your vehicle has been used for racing or any other forms of competitive driving, plowing snow, or for towing a trailer weighing in excess of 2,000 pounds or any vehicle or object unless Your vehicle is equipped with a factory-installed or authorized tow package.

Item 6. is deleted and replaced with the following:

6. Any alterations which have been made by You to Your vehicle, or You are using or have

used Your vehicle in a manner which is not recommended by the manufacturer, including the failure of any custom or add-on part.

The following sentence is deleted from item 7:
vehicles over 1 ton classification.

The following is added to the ARBITRATION Section:

Arbitration does not preclude Your right to file a complaint with the Arizona Department of Insurance Consumer Affairs Division at 2910 North 44th Street, Suite 210, Phoenix, AZ 85018.

ARKANSAS

The Service Contract You are buying is not required in order to purchase or finance a vehicle.

The ARBITRATION provision is amended to state that arbitration is voluntary and nonbinding.

Item d. of the ARBITRATION provision is deleted in its entirety.

The following is added to the Service Contract:

Punitive Damages are those imposed to punish a wrongdoer and to deter others from similar conduct.
Exemplary Damages are those awarded in addition to actual damages.

CALIFORNIA

The following language is added to the Service Contract:

Performance to You under this Service Contract is guaranteed by a California approved insurance company. You may file a claim with this insurance company if any promise made in the Service Contract has been denied or has not been honored within 60 days after the date proof of loss was filed. The name and address of the insurance company is: Lyndon Property Insurance Company, 14755 N. Outer Forty Road, Suite 400, St. Louis, Missouri 63017, (800) 950-6060. If You are not satisfied with the insurance company's response, You may contact the California Department of Insurance at 1-800-927-4357.

If any promise made in the Service Contract has been denied or has not been honored within sixty (60) days after Your request, You may contact the California Department of Insurance at 1-800-927-4357.

The following is added to the Terms and Conditions provision:

The California Provider License number for Protective Administrative Services, Inc., is 0B71048. The address and toll-free number for Protective Administrative Services, Inc. is 14755 N. Outer Forty Rd., St. Louis, MO 63017, 1-800-950-6060.

Any required inspection of the Vehicle by the Administrator will be performed within forty-eight (48) hours of a claim being reported to the Administrator, or within seventy-two (72) hours if the forty-eight (48) hours includes a weekend or federally recognized holiday. Provided the following conditions listed below have been met, a valid claim will not be denied based solely on Your failure to wait for inspection before authorizing repairs.

- a. Once We have determined the Vehicle is ready for inspection the forty-eight (48) hours will begin when the inspection company assigns the required inspection to their field inspector.
- b. Situation beyond Our or the inspection company's control i.e. weather related or failure of the licensed repair facility to cooperate during the inspection process, will negate the forty-eight (48) hour inspection requirement.

Item 1 under WHAT IS NOT COVERED is deleted and replaced with the following:

1. Failure to obtain authorization prior to having repairs made may result in the denial of coverage under this Service Contract, if We are prejudiced by the failure to give notice. A valid claim will not be denied based solely on Your failure to obtain prior authorization.

Item 5 under WHAT IS NOT COVERED is deleted and replaced with the following:

5. The repair of valves and/or rings, if the purpose of such is simply to raise the engine's compression when a mechanical breakdown caused by the failure of a covered part has not occurred. This is considered normal wear and tear, and not a mechanical breakdown.

Also, no benefit is provided for a condition which already existed when You purchased Your vehicle or for a mechanical breakdown which occurred before You purchased Your vehicle. Repair or replacement of any covered part if a breakdown has not occurred.

The CANCELLATION OF SERVICE CONTRACT provision is deleted and replaced with the following:

1. You may cancel this Service Contract at any time in accordance with the following terms:
 - a. Contact the selling dealer by a signed written request, within sixty (60) days after the requested cancellation date, enclose this Service Contract, an odometer statement and proof of Contract purchase.
 - b. If this Service Contract is canceled within the first sixty (60) days and no claims have been filed, We will refund the entire Service Contract purchase price paid.
If You have incurred a claim within the first sixty (60) days, We will refund an amount of the Service Contract purchase price according to the pro rata method reflecting the miles driven based on the term of the plan selected.
 - c. If this Service Contract is canceled after the first sixty (60) days, We will refund an amount of the Service Contract purchase price according to the pro rata method reflecting the miles driven based on the term of the plan selected, less a cancellation fee of twenty-five dollars (\$25.00) or 10% of the Service Contract purchase price, whichever is less.
2. We may cancel this Service Contract within the first sixty (60) days under the following conditions:
 - a. Notice of cancellation is mailed to You postmarked before the 61st day after the date the Service Contract was sold by the dealer.
 - b. We will refund the entire Service Contract purchase price paid within the first thirty (30) days from the date of cancellation. However, if We have paid a claim, or have advised You in writing that We will pay a claim, We may provide a pro rata refund reflecting the miles driven based on the term of the plan selected, less the amount of any claims paid prior to cancellation.
 - c. The Service Contract ceases to be valid no less than five (5) days after the postmark date of the notice.
 - d. The notice states the specific grounds for the cancellation.
3. We may at any time cancel the Service Contract for nonpayment of the Service Contract purchase price by You, conditioned upon each of the following:
 - a. Notice of cancellation is mailed to You.
 - b. If this Service Contract is canceled within the first sixty (60) days and no claims have been filed, We will refund the entire Service Contract purchase price paid.
If You have incurred a claim within the first sixty (60) days or if this Service Contract is canceled after the first sixty (60) days, We will refund an amount of the Service Contract purchase price according to the pro rata method reflecting the miles driven based on the term of the plan selected.
 - c. If any refund is owed, the refund is paid within 30 days of the date of cancellation.
 - d. The Service Contract ceases to be valid no less than five (5) days after the postmark date of the notice.
 - e. The notice states the specific grounds for the cancellation.
4. We may at any time cancel the Service Contract for material misrepresentation or fraud by You, conditioned upon each of the following:
 - a. Notice of cancellation is mailed to You.
 - b. A pro rata refund reflecting the miles driven based on the term of the plan selected is paid within thirty (30) days of the date of cancellation.
 - c. The notice states the specific nature of the misrepresentation.
5. If We cancel the Service Contract, We are liable for any claim reported to a person designated in this Service Contract for the reporting of claims if the claim is reported prior to the effective date of cancellation and is covered by the Service Contract. You are deemed to have reported a claim if You have completed the first step required under the Service Contract for reporting a claim.
6. If We are canceling this Service Contract pursuant to subdivision 3, 4, or 5 and We have paid a claim, or have advised You in writing that We will pay a claim, We may provide a pro rata refund reflecting the miles driven based on the term of the plan selected, less the amount of any claims paid prior to cancellation.
7. In the event of cancellation, the lienholder, if any, will be named on a cancellation refund check as their interest may appear. If this Service Contract is cancelled because the Vehicle is repossessed, the lienholder or creditor will be the sole payee of the refund. If this Service Contract is cancelled because of a total loss of the Vehicle, the lienholder or creditor will be the sole payee of the refund.

The ARBITRATION provision is deleted in its entirety.

COLORADO

In Colorado, the policy number is 81-05-W807-0902.

CONNECTICUT

The following is added to this Service Contract:

Section 42-221 of the Connecticut General Statute requires an automobile dealer, unless otherwise expected, to provide a warranty covering certain classes of used motor vehicles as follows:

Used Vehicles with a sale price of \$3,000 but less than \$5,000:

Provides coverage for 30 days or 1,500 miles, whichever comes first.

Used Vehicles with a sale price of \$5,000 or more:

Provides coverage for 60 days or 3,000 miles, whichever occurs first.

The Vehicle You have purchased may be covered by this law. If so, the following is added to this Service Contract: In addition to the Dealer warranty required by the law, You have elected to purchase this Service Contract, which may provide You with additional protection during the Dealer warranty period and provides protection after the Dealer warranty has expired. You have been charged separately only for this Service Contract. The required Dealer warranty is provided free of charge. Furthermore, the definitions, Coverages and exclusions stated in this Service Contract apply only to this Service Contract and are not the terms of the required Dealer warranty.

The following is added to the Terms and Conditions provision:

If the term is less than 12 months, the term will automatically be extended for the period during which the Vehicle is in the custody of a service center for repair.

The following is added to the Service Contract Cancellation provision:

You may cancel the Service Contract if you return the vehicle or the vehicle is lost, stolen, or destroyed.

The ARBITRATION provision is deleted in its entirety and replaced with the following:

If you purchased this Service Contract in Connecticut, You may pursue arbitration to settle disputes between You and the provider of this Service Contract. You may mail you complaint to: State of Connecticut, Insurance Department, P.O. Box 816, Hartford, Connecticut 06142-0816, Attention: Consumer Affairs. The written complaint must describe the dispute, identify the price of the Vehicle and cost of repair, and include a copy of the Service Contract.

DISTRICT OF COLUMBIA

The ARBITRATION section is deleted in its entirety.

GEORGIA

Under CANCELLATION OF SERVICE CONTRACT, section 1) a-b are deleted and replaced with the following:

- a. If this Service Contract is canceled within the first sixty (60) days and no claim has been filed, We will refund the entire Service Contract charge paid.
- b. If this Service Contract is canceled after the first sixty (60) days or a claim has been filed, We will refund an amount of the Service 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. A cancellation fee of 10% of the pro-rata refund amount will be applied if this Service Contract is canceled by You. In the event of cancellation, if this Service Contract is financed, the lienholder, if any, will be named on a cancellation refund check as their interest may appear. If You have canceled this Service Contract and have not received the refund from Us or the Administrator within sixty (60) days of such cancellation, You may contact the Insurance Company identified on the Service Contract.

Under CANCELLATION OF SERVICE CONTRACT, section 2) is deleted and replaced with the following:

This Service Contract is non-cancelable by Us except for fraud, material misrepresentation or failure to pay premium. In the event of cancellation for fraud or material misrepresentation, such cancellation shall be made in writing to You and the lienholder. Cancellation shall not be in effect less than thirty (30) days from the date of the notice. Cancellation for nonpayment of premium will be made by providing not less than ten (10) days notice to You and the lienholder.

If We cancel this Service Contract, earned premiums shall be completed on a pro-rated basis and the refund will be made within fifteen (15) days of the notice of cancellation.

The following is added to the Service Contract regarding the Service Contract Validation Period:

The validation period does not apply when the automobile manufacturer or dealer provides an un-

derlying warranty with the sale of the vehicle in accordance with Georgia state laws and regulations. Claims occurring during this period should be reported to the selling dealer or manufacturer.

The following are changes to the WHAT IS NOT COVERED SECTION:

Item 5., the third sentence is amended to read as follows: Also, no benefit is provided for a condition which already existed when You purchased Your Service Contract or for a mechanical breakdown which occurred before You purchased Your Service Contract and were known to You.

Item 6., is amended to read as follows:

Any alterations which have been made to Your vehicle while owned by You, or You are using or have used Your vehicle in a manner which is not recommended by the manufacturer, including the failure of any custom or add-on part.

HAWAII

Hawaii Revised Statutes requires an automobile dealer to provide a warranty covering certain classes of used motor Vehicles as follows:

Used Vehicles with less than 25,000 miles at the time of sale

Provides coverage for 90 days or 5,000 miles, whichever occurs first.

Used Vehicles with 25,000 miles or more but less than 50,000 miles at the time of sale

Provides coverage for 60 days or 3,000 miles, whichever occurs first.

Used Vehicles with 50,000 miles or more but less than 75,000 miles at the time of sale

Provides coverage for 30 days or 1,000 miles, whichever occurs first.

The Vehicle You have purchased may be covered by this law. If so, the following is added to this Service Contract: In addition to the Dealer warranty required by this law, You have elected to purchase this Service Contract, which may provide You with additional protection during the Dealer warranty period and provides protection after the Dealer warranty has expired. You have been charged separately only for this Service Contract. The required Dealer warranty is provided free of charge. Furthermore, the Definitions, Coverages and Exclusions stated in this Service Contract apply only to this Service Contract and are not the terms of the required Dealer warranty. The following is added to this Service Contract:

We may require the use of rebuilt, remanufactured, or parts of like kind and quality to fulfill Our repair requirements under this Service Contract.

The following are changes to the CANCELLATION OF SERVICE CONTRACT Section:

Item 1.) section a. is deleted and replaced with the following:

a. If this Service Contract is cancelled by You within the first thirty (30) days of the effective date of this Service Contract and You have not incurred a claim, the entire Service Contract price will be refunded. A cancellation fee will not be charged. If this Service Contract is cancelled within the first thirty (30) days without an incurred claim and a refund is not paid or credited within forty-five (45) days after the return of the Service Contract, a ten percent (10%) penalty per month shall be added to the refund.

Item 2. is amended by adding the following;

We may cancel this Service Contract by mailing You at least five (5) days prior notice to Your last known address. The notice shall state the effective date of cancellation. Prior notice is not required if cancellation is for:

- a. non-payment of the Service Contract price;
- b. a material misrepresentation by You to Us; or
- c. a substantial breach of duties by You relating to the Vehicle.

IDAHO

Notice - Coverage afforded under this Service Contract is not guaranteed by the Idaho Insurance Guarantee Association.

ILLINOIS

Under CANCELLATION OF SERVICE CONTRACT, item 1) is amended by revising the cancellation fee to ten percent (10%) of the Service Contract price or fifty dollars, whichever is less.

INDIANA

Your proof of payment to the issuing vendor or dealer for this Service Contract shall be considered proof of payment to the Insurance Company which guarantees Our obligations to You, providing such insurance was in effect at the time You purchased this Service Contract.

FOR IOWA RESIDENTS ONLY

In the event You have any questions regarding Your Service Contract, You may contact the Iowa Insurance Commissioner at the following address: Iowa Insurance Division, 330 Maple Street, Des Moines, Iowa, 50319-0065.

Under CANCELLATION OF SERVICE CONTRACT Section, Item 1) a. is deleted and replaced with the following:

- a. If this Service Contract is cancelled by You within the first thirty (30) days of the effective date of this Service Contract and You have not incurred a claim, the entire Service Contract price will be refunded. A cancellation fee will not be charged. If this Service Contract is cancelled within the first thirty (30) days without an incurred claim and a refund is not paid within thirty (30) days after the return of the Service Contract, a ten percent (10%) penalty per month shall be added to the refund. If You cancel this Service Contract, the Administrator will mail You a written notice of termination within fifteen (15) days of the termination.

KANSAS

BENEFITS - Lock Out service is not available.

KENTUCKY

Coverage under the BENEFITS section are only available if the benefit is directly related to loss resulting from defects in material or workmanship. Lock Out service, fluid replacement and battery service are not covered.

LOUISIANA

Under CANCELLATION OF SERVICE CONTRACT, Item's 1) a. and b. are deleted and replaced with the following:

- 1) You may cancel this Service Contract at any time.
 - a. Cancellation requests received within the first thirty (30) days will receive a full refund.
 - b. Cancellations after the first thirty (30) days will receive a pro-rated refund based upon term or mileage, whichever is greater. The refund of the unearned Service Contract price paid will be less less a fifty dollar (\$50.00) cancellation fee.

MARYLAND

Under CANCELLATION OF SERVICE CONTRACT, Item 1) a. is deleted and replaced with the following:

If You cancel this Service Contract within thirty (30) days of the effective date of this Service Contract and have not incurred a claim, the entire Service Contract price will be refunded. A cancellation fee will not be charged. If this Service Contract is cancelled within the first thirty (30) days without an incurred claim and a refund is not paid or credited within forty-five (45) days after the return of the Service Contract, a ten percent (10%) penalty per month shall be added to the refund.

MASSACHUSETTS

NOTICE TO CUSTOMER: PURCHASE OF THIS SERVICE CONTRACT 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. THE SELLER OF THIS COVERAGE IS REQUIRED TO INFORM YOU OF ANY WARRANTIES AVAILABLE TO YOU WITHOUT THIS SERVICE CONTRACT.

Chapter 90, Section 7N 1/4 of Massachusetts General Laws requires an automobile vendor to provide a warranty covering certain classes of used motor Vehicles as follows:

Used Vehicles with less than 40,000 miles at the time of sale:

- Provides coverage for 90 days or 3,750 miles, whichever occurs first.

Used Vehicle with 40,000 miles or more but less than 80,000 miles at the time of sale:

- Provides coverage for 60 days or 2,500 miles, whichever occurs first.

Used Vehicles with 80,000 miles or more but less than 125,000 miles at the time of sale:

- Provides coverage for 30 days or 1,250 miles, whichever occurs first.

The Vehicle You have purchased may be covered by this law. If so, the following is added to this Service Contract: In addition to the vendor warranty required by this law, You have elected to purchase this Service Contract, which may provide You with additional protection during the vendor warranty period and provides protection after the vendor warranty has expired. You have been charged separately only for this Service Contract. The required vendor warranty is provided free of charge. Furthermore, the Definition, Coverage, and Exclusions stated in this Service Contract apply only to this Service Contract and not the terms of the required vendor warranty.

The CANCELLATION OF SERVICE CONTRACT and TRANSFER OF SERVICE CONTRACT sections are amended by adding the following: No cancellation or transfer fees will be charged.

MINNESOTA

This Service Contract excludes and is not designed to duplicate used car coverages that are mandatory under Minnesota Statute 325F.662 Subd.2. This Service Contract provides such statutory coverage through the insurance carrier indicated in the NOTICE Section of this Service Contract only in the event that the Dealer becomes financially unable to meet Our statutory obligations.

Full coverage under this Service Contract begins after thirty (30) days if at the time of purchase the Vehicle has 36,000 or more miles or after sixty (60) days if the Vehicle has less than 36,000 miles. All coverages listed in this Service Contract are in addition to those required by Minnesota Statute 325F.662 Subd.2.

The following are changes under the CANCELLATION OF SERVICE CONTRACT Section:

1) a. is deleted and replaced with the following:

a. If this Service Contract is cancelled by You within the first thirty (30) days of the effective date of this Service Contract and You have not incurred a claim, the entire Service Contract price will be refunded. An cancellation fee will not be charged. If this Service Contract is cancelled within the first thirty (30) days without an incurred claim and a refund is not paid or credited within forty-five (45) days after the return of the Service Contract, a ten percent (10%) penalty per month shall be added to the refund.

The following is added to section 2):

If We cancel this Service Contract, We will mail a written notice to You at Your last known address contained in the Our records at least fifteen (15) days before cancellation by Us. Five (5) days' notice is required if the reason for cancellation is nonpayment of the Service Contract price, a material misrepresentation by You to the Administrator or a substantial breach of duties by You relating to Your Vehicle or its use. The notice shall state the effective date of cancellation and the reason for cancellation.

MISSISSIPPI

The ARBITRATION provision is deleted and replaced with the following:

IT IS UNDERSTOOD AND AGREED THAT THE TRANSACTION EVIDENCED BY THIS SERVICE CONTRACT TAKES PLACE IN AND SUBSTANTIALLY AFFECTS INTERSTATE COMMERCE. ANY CONTROVERSY OR DISPUTE ARISING OUT OF OR RELATING IN ANY WAY TO THIS SERVICE CONTRACT OR THE SALE THEREOF, INCLUDING FOR RECOVERY OF ANY CLAIM UNDER THIS SERVICE CONTRACT AND INCLUDING THE APPLICABILITY OF THIS ARBITRATION CLAUSE AND THE VALIDITY OF THIS SERVICE CONTRACT, SHALL BE RESOLVED BY NEUTRAL BINDING ARBITRATION. THE ARBITRATION WILL BE GOVERNED BY THE RULES AND PROVISIONS OF THE MOST APPROPRIATE DISPUTE RESOLUTION PROGRAM OF THE AMERICAN ARBITRATION ASSOCIATION (“AAA”) IN EFFECT AT THE TIME THE ARBITRATION IS DEMANDED, INCLUDING THE SUPPLEMENTARY PROCEDURES FOR CONSUMER RELATED DISPUTES (WWW.ADR.ORG). WHEN APPROPRIATE AS REQUESTED BY EITHER PARTY, THE ARBITRATION WILL BE BEFORE A PANEL OF THREE ARBITRATORS SELECTED AS

FOLLOWS: (A) ONE BY US; (B) ONE BY YOU; AND (C) ONE BY THE ARBITRATORS PREVIOUSLY SELECTED. THE ARBITRATORS WILL BE SELECTED AS PROVIDED IN THE AAA RULES GOVERNING THE ARBITRATION. IF YOU OR US OR ANY AGENT OF US HAVE ANY DISPUTE BETWEEN OR AMONG THEM THAT IS SUBJECT TO ARBITRATION AND IS RELATED TO ANY DISPUTE BETWEEN OR AMONG THEM THAT IS SUBJECT TO ARBITRATION AND IS RELATED TO ANY DISPUTE COVERED BY THIS ARBITRATION CLAUSE, YOU AND US CONSENT TO A JOINING OF THE ARBITRATION PROCEEDINGS. YOU WILL NOT HAVE THE RIGHT TO PARTICIPATE IN A CLASS ACTION OR ANY OTHER COLLECTIVE PROCEEDING AGAINST THE US. ONLY A COURT, AND NOT ARBITRATORS, CAN DETERMINE THE VALIDITY OF THIS CLASS ACTION WAIVER.

- A. IF YOU DISPUTE OUR DETERMINATION TO DENY YOU BENEFITS UNDER THIS SERVICE CONTRACT, YOU MUST SUBMIT WRITTEN NOTICE TO US OF YOUR INTENT TO ARBITRATE THAT DISPUTE NO LATER THAN SIXTY (60) DAYS FOLLOWING OUR DETERMINATION. YOUR FAILURE TO MEET THIS TIME REQUIREMENT WILL PREVENT YOU FROM DISPUTING OUR DETERMINATION, WHETHER THROUGH ARBITRATION OR OTHERWISE.**
- B. THE ARBITRATION SHALL TAKE PLACE WITHIN SIXTY (60) DAYS OF WRITTEN NOTICE OF INTENT TO ARBITRATE IN A LOCATION NEAR YOUR RESIDENCE.**
- C. EXCEPT FOR THE FILING FEE AND THE COSTS YOU MAY INCUR TO PRESENT YOUR CASE, THE COST OF THE ARBITRATION SHALL BE BORNE BY US PROVIDED, HOWEVER, THAT SHOULD THE ARBITRATORS FIND THAT YOU HAVE RAISED A DISPUTE WITHOUT SUBSTANTIAL JUSTIFICATION, THE ARBITRATOR SHALL HAVE THE AUTHORITY TO ORDER THAT THE COST OF THE ARBITRATION PROCEEDINGS BE BORNE BY YOU.**
- D. IT IS UNDERSTOOD AND AGREED THAT THE ARBITRATION SHALL BE BINDING UPON THE PARTIES, THAT THE PARTIES ARE WAIVING THEIR RIGHT TO SEEK REMEDIES IN COURT, INCLUDING THE RIGHT TO A JURY TRIAL,**

AND THAT AN ARBITRATION AWARD MAY NOT BE SET ASIDE IN LATER LITIGATION EXCEPT UPON THE LIMITED CIRCUMSTANCES SET FORTH IN THE FEDERAL ARBITRATION ACT.

E. ALL STATUTES OF LIMITATION THAT WOULD OTHERWISE BE APPLICABLE SHALL APPLY TO ANY ARBITRATION PROCEEDING. NEITHER PARTY SHALL BE PRECLUDED FROM INSTITUTING AN ACTION IN A COURT OF COMPETENT JURISDICTION TO OBTAIN A TEMPORARY RESTRAINING ORDER, A PRELIMINARY INJUNCTION OR OTHER EQUITABLE RELIEF TO PRESERVE THE STATUS QUO OR PREVENT IRREPARABLE HARM PENDING THE SELECTION OF THE ARBITRATOR OR THE COMMENCEMENT AND COMPLETION OF THE ARBITRATION HEARING. NEITHER PARTY MAY RECOVER EXEMPLARY DAMAGE AWARDS IN ANY ARBITRATION PROCEEDING.

F. THE AGREEMENT TO ARBITRATE WILL SURVIVE THE TERMINATION OF THIS SERVICE CONTRACT.

IF THIS SERVICE CONTRACT IS FOUND NOT TO BE SUBJECT TO ARBITRATION, ANY LEGAL PROCEEDING WITH RESPECT TO ANY DISPUTE WILL BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE WITHOUT A JURY. BOTH PARTIES WAIVE ANY RIGHT TO A JURY TRIAL IN ANY SUCH PROCEEDING.

Under TO FILE A CLAIM, the following is added to this section:

In the event of emergency repairs essential to public health, safety or welfare, and You are unable to reach the Administrator outside normal business hours to obtain prior authorization, You may proceed with repairs, but payment will be made in accordance with this Service Contract.

MISSOURI

The following is added to this Service Contract: The Provider in Missouri is Protective Administrative Services, Inc. Administrative Address: 51 Mill Street, Hanover, MA 02339, 1-800-871-0467.

Under CANCELLATION OF SERVICE CONTRACT, item 1) a. is deleted and replaced with the following:

a. If this Service Contract is cancelled by You within the first thirty (30) days of the effective date of this Service Contract and You have not incurred a claim, the entire Service Contract price will be refunded. A cancellation fee will not be charged. If this Service Contract is cancelled within the first thirty (30) days without an incurred claim and a refund is not paid or credited within thirty (30) days after the return of the Service Contract, a ten percent (10%) penalty per month shall be added to the refund.

If You cancel this Service Contract, We shall mail a written notice of cancellation to You within fifteen (15) days of the date of cancellation.

The following are changes under the Arbitration Section:

Items b. and d. are deleted and replaced with the following:

b. Arbitration shall be held in the county of the insured's residence or place of business unless

the insured has no residence or place of business, then the arbitration will be held in a location as provided under Missouri law.

d. Arbitration is voluntary. You are bound by the arbitration only when You have elected to arbitrate and a lawful and binding arbitration follows.

The following is added to the TO FILE A CLAIM Section:

In the event of emergency repairs essential to public health, safety or welfare, and You are unable to reach the Administrator outside normal business hours to obtain prior authorization, You may proceed with repairs and follow the claim procedures below. Payment will be made in accordance with this Service Contract.

The NOTICE section is deleted and replaced with the following:

Our obligations under this Service Contract are guaranteed under a service contract reimbursement insurance policy. If the Administrator fails to pay or provide service within sixty (60) days after proof of loss has been filed, You are entitled to make a claim directly against Lyndon Property Insurance Company, 14755 North Outer Forty Road, Suite 400, St. Louis, Missouri 63017. Toll-free at 800-950-6060.

MONTANA

The following is added to Section 2) of the cancellation provision:

We shall mail a written notice to You at Your last-known address contained in Our records at least five (5) days prior to the cancellation by Us. Prior notice is not required if the reason for cancellation is for:

- a. nonpayment of the Service Contract price;
- b. a material misrepresentation by You to Us; or
- c. a substantial breach of duties by You relating to the Vehicle or its use.

Any cancellation notice must state the effective date and reason for the cancellation.

NEBRASKA

The ARBITRATION provision is amended to state that arbitration is voluntary and nonbinding.

The NOTICE section is deleted and replaced with the following:

Our performance under this Service Contract is fully guaranteed by Lyndon Property Insurance Company. You may file a claim directly with the insurance company, Lyndon Property Insurance Company, by writing to Lyndon Property Insurance Company: 14755 North Outer Forty Road, Suite 400, St. Louis, Missouri 63017. The toll-free number is 1-800-950-6060.

NEVADA

The following is added to the EXPIRATION Section:

EXPIRATION (Used vehicle terms): The Plan expires by time or mileage, whichever occurs first.

Mileage: The Plan expiration is measured from the odometer mileage of the Vehicle on this Contract

Purchase Date. Time: The Plan expiration is measured from the Contract Purchase Date.

The following are changes under the CANCELLATION OF SERVICE CONTRACT Section:

Sections 1) a. and b. are deleted and replaced with the following:

a. If this Service Contract is cancelled by You within the first thirty (30) days of the effective date of this Service Contract and You have not incurred a claim, the entire Service Contract price will be refunded. A cancellation fee will not be charged. If this Service Contract is cancelled within the first thirty (30) days without an incurred claim and a refund is not paid or credited within forty-five (45) days after the return of this Service Contract, a ten percent (10%) penalty per month shall be added to the refund.

b. Cancellations after the first thirty (30) days will receive a pro-rated refund based upon term or mileage, whichever is greater. The refund of the unearned contract price paid will be less a fifty dollar (\$50.00) cancellation fee.

The following is deleted from Section 2) of the CANCELLATION OF SERVICE CONTRACT section:

The request for cancellation must be made no later than forty-five days (45) from the date that the cancellation is to become effective, (except in case of repossession, stolen or totaled vehicles).

The following is added to Section 2):

We may cancel this Service Contract within the first seventy (70) days of the effective date of this Service Contract for any reason. We may only cancel this Service Contract after the first seventy (70) days based on one or more of the following reasons: (A) Your failure to pay the Service Contract price; (B) Your conviction of a crime which results in an increase in the service required under this Service Contract; (C) Discovery of fraud or misrepresentation by You in

obtaining this Service Contract, or in presenting a claim for service hereunder; (D) Discovery of an act or omission by You, or a violation by You of any condition of this Service Contract, which occurred after the effective date of this Service Contract and which substantially and materially increases the service required under this Service Contract; or (E) a material change in the nature or extent of the required service or repair which occurs after the effective date of the Service Contract and which causes the required service or repair to be substantially and materially increased beyond that contemplated at the time that the Service Contract was issued or sold.

If We cancel this Service Contract, We will mail a written notice of cancellation to You at Your last known address before the fifteenth (15th) day preceding the effective date of cancellation. Cancellations will receive a pro-rated refund based on term or mileage, whichever is greater. No cancellation fee will be charged.

This Service Contract is non-renewable.

The following is added to the TO FILE A CLAIM Section:

In the event of emergency repairs essential to public health, safety or welfare, and you are unable to reach the Administrator outside normal business hours to obtain prior authorization, you may proceed with repairs, but, payment will be made in accordance with this Service Contract.

The following is added to the WHAT IS NOT COVERED Section:

This Service Contract does not cover consequential damages.

NEW HAMPSHIRE

In the event You do not receive satisfaction under this Service Contract, You may contact the New Hampshire Insurance Department at 21 South Fruit St., Suite 14, Concord, NH 03301-7317.

NEW MEXICO

The following is added to the WHAT IS NOT COVERED Section:

This Service Contract does not cover consequential damages.

The following are changes under CANCELLATION OF SERVICE CONTRACT:

Item a. is deleted and replaced by the following:

a. If this Service Contract is cancelled by You within the first thirty (30) days of the effective date of this Service Contract and You have not incurred a claim, the entire Service Contract price will be refunded. A cancellation fee will not be charged. If this Service Contract is cancelled within the first thirty (30) days without an incurred claim and a refund is not paid or credited within forty-five (45) days after the return of this Service Contract, a ten percent (10%) penalty per month shall be added to the refund.

The following is added to section 2):

We may cancel this Service Contract within the first seventy (70) days of the effective date of this Service Contract for any reason. We may only cancel this Service Contract after the first seventy (70) days based on one or more of the following reasons:

(A) Your failure to pay the Service Contract price; (B) Your conviction of a crime which results in an increase in the service required under this Service Contract; (C) Discovery of fraud or misrepresentation by You in obtaining this Service Contract, or in presenting a claim for service hereunder; (D) Discovery of an act or omission by You, or a violation by You of any condition of this Service Contract, which occurred after the effective date of this Service Contract and which substantially and materially increases the service required under this Service Contract; or (E) A material change in the nature or extent of the required service or repair which occurs after the effective date of the Service Contract and which causes the required service or repair to be substantially and materially increased beyond that contemplated at the time that the Service Contract was issued or sold.

If We cancel this Service Contract, We will mail a written notice of cancellation to You at Your last known address before the fifteenth (15th) day preceding the effective date of cancellation.

NEW YORK

The following is added to TERMS AND CONDITIONS:

The use of non-original manufacturers' parts shall comply with state and federal laws. Section 198-b of New York General Business Law requires an automobile Dealer, unless otherwise excepted, to provide a warranty covering certain classes of used motor Vehicles as follows:

Used Vehicles with 36,000 miles or less at the time of sale:

Provides coverage for 90 days or 4,000 miles, whichever occurs first.

Used Vehicles with more than 36,000 miles but less than 80,000 at the time of sale:

Provides coverage for 60 days or 3,000 miles, whichever occurs first.

Used Vehicles with 80,000 miles or more but not more than 100,000 miles at the time of sale:

Provides coverage for 30 days or 1,000 miles, whichever occurs first.

The Vehicle You have purchased may be covered by this law. If so, the following is added to this Service Contract:

In addition to the Dealer warranty required by the law, You have elected to purchase this Service Contract, which may provide You with additional protection during the Dealer warranty period and provides protection after the Dealer warranty has expired. You have been charged separately only for this Service Contract. The required Dealer warranty is provided free of charge. Furthermore, the definitions, Coverages and exclusions stated in this Service Contract apply only to this Service Contract and are not the terms of the required Dealer warranty.

The following are changes under the CANCELLATION OF SERVICE CONTRACT section:

Section 1) a. is deleted and replaced with the following:

If this Service Contract is cancelled by You within the first thirty (30) days of the effective date of this Service Contract and You have not incurred a claim, the entire Service Contract price will be refunded. A cancellation fee will not be charged. If this Service Contract is cancelled within the first thirty (30) days without an incurred claim and a refund is not paid or credited within thirty (30) days after the return of this Service Contract, a ten percent (10%) penalty per month shall be added to the refund.

The following is added to section 2):

If We cancel this Service Contract a written notice of cancellation will be mailed to You at Your last known address at least fifteen (15) days prior to cancellation effective date. The notice shall state the effective date of cancellation. Prior notice is not required if cancellation is for:

- a. non-payment of the Service Contract price;
- b. a material misrepresentation by You to Us; or
- c. a substantial breach of duties by You relating to the Vehicle.

NORTH CAROLINA

The following is added to the CANCELLATION OF SERVICE CONTRACT Section:

The cancellation fee is revised to ten percent (10%) of the unearned Service Contract price not to exceed fifty dollars (\$50.00).

OHIO

The following is added to this Service Contract:

This Service Contract is not insurance and is not subject to the insurance laws of this state.

The obligations and promises contained within this Service Contract are backed by Lyndon Property Insurance Company, 14755 N. Outer Forty Road, Suite 400, St. Louis, MO 63017. Toll Free (800) 950-6060. If We fail to perform or make payment due under the terms of this Service Contract within sixty (60) days after You request performance or payment pursuant to the terms of this Service Contract, You may request performance or payment directly from the insurance company, including any obligation in this Service Contract by which We must refund You upon cancellation of this Service Contract.

OKLAHOMA

DISCLOSURE STATEMENT: Coverage afforded under this Service Contract is not guaranteed by the Oklahoma Insurance Guaranty Association.

Oklahoma does not review commercial service warranty contract language (only personal).

The following is added to the BENEFITS section:

Motor Club services will be provided by: Brickell Financial Services Motor Club, Inc., 7300 Corporate Center Drive, Suite 601, Miami, FL 33126, (800) 520-4361.

Section 1) under CANCELLATION OF SERVICE CONTRACT, including the first paragraph under section 1) d. is deleted in its entirety and replaced with the following:

- 1) You may cancel this Service Contract at any time.
 - a. Cancellation requests received from You within the first thirty (30) days of the Service Contract effective date, and if no claims have been filed, will receive a full refund.
 - b. Cancellation requests received from You after the first thirty (30) days, or if a claim was filed within the first thirty (30) days will receive a refund based upon ninety percent (90%) of

the unearned pro rata purchase price, less the actual cost of any service provided under this Service Contract, and less a cancellation fee of ten percent (10%) of the unearned pro rata Service Contract purchase price or thirty five dollars (\$35.00), whichever is less.

In the event of cancellation, the lienholder, if any, will be named on a cancellation refund check as their interest may appear.

In the event the Service Contract is canceled by Us, return of purchase price shall be based upon one hundred percent (100%) of the unearned pro rata purchase price, less the actual cost of any service provided under this Service Contract.

The Installment Payment Provision is deleted in its entirety and replaced with the following:

INSTALLMENT PAYMENT PROVISION

In the event Your Service Contract is purchased at a point after You purchased Your vehicle and You are paying for Your Service Contract by use of a Retail Installment Contract (or its equivalent) any non-payment will result in a termination or modification of the original contract terms. If You choose to terminate coverage and receive a refund of any unused portion of the contract, You must follow the procedures under the Oklahoma Cancellation section to obtain any refund. As an alternative to a refund You may select to have the expiration date and mileage of the Service Contract modified to reflect the portion of the Service Contract that You have paid for. The modified expiration date and mileage of the Service Contract will be calculated on a pro-rata basis by adding the amount of time and mileage that You have paid to the original in service date and in service mileage of the Service Contract. You may contact the Administrator toll-free at (800) 871-0467 if You have chosen to select the expiration date and mileage of the Service Contract modification instead of a return premium for cancellation.

OREGON

The following is added to this Service Contract:

In Oregon, the obligor is Protective Administrative Services, Inc. Their address is: 14755 N. Outer Forty Rd., Suite 400, St. Louis, Missouri, 63017. Their toll free telephone number is: (800) 950-6060.

The ARBITRATION Provision is amended by adding the following:

Arbitration is voluntary, and if elected, is binding. Arbitration will take place under the laws of the state of Oregon and will be held in Your county or any other county in the state of Oregon agreed to by You and Us.

RHODE ISLAND

Section 31-5.4 of Rhode Island General Business Law requires an automobile dealer to provide a warranty covering certain classes of used motor vehicles as follows:

Used Vehicles with less than 36,000 miles at the time of sale

Provides coverage for 60 days or 3,000 miles, whichever occurs first.

Used Vehicles with 36,000 miles or more but less than 100,000 miles at the time of sale

Provides coverage for 30 days or 1,000 miles, whichever occurs first.

The Vehicle You have purchased may be covered by this law. If so, the following is added to this Service Contract: In addition to the Dealer warranty required by this law, You have elected to purchase this Service Contract, which may provide You with additional protection during the Dealer warranty period and provides protection after the Dealer warranty has expired. You have been charged separately only for this Service Contract. The required Dealer warranty is provided free of charge. Furthermore, the definition, coverages and exclusions stated in this Service Contract apply only to this Service Contract and are not the terms of the required Dealer warranty.

SOUTH CAROLINA

The following is added to this Service Contract:

In the event of a disputed claim, South Carolina residents may contact the South Carolina Insurance Department, P.O. Box 10015, Columbia, SC 29202-3105 or (803) 737-6160.

The following is added to TERMS AND CONDITIONS:

The use of non-original manufacturers' parts shall comply with state and federal laws.

The following are changes under the CANCELLATION OF SERVICE CONTRACT section:

Item 1) a. is deleted and replaced with the following:

a. If this Service Contract is cancelled by You within the first thirty (30) days of the effective date of this Service Contract and You have not incurred a claim, the entire Service Contract price will be refunded. A cancellation fee will not be charged. If this Service Contract is cancelled

within the first thirty (30) days without an incurred claim and a refund is not paid or credited within forty-five (45) days after the return of this Service Contract, a ten percent (10%) penalty per month shall be added to the refund.

The following is added to section 2):

In the event We cancel this Service Contract, We will mail You written notice of cancellation within fifteen (15) days of the date of cancellation. The notice shall state the effective date of cancellation and the reason for the cancellation. Prior notice is not required if the reason for cancellation is for:

- a. non-payment of the Service Contract price;
- b. a material misrepresentation by You to Us; or
- c. a substantial breach of duties by You relating to the Vehicle

TEXAS

The following disclosure is added to this Service Contract:

Any unresolved complaints concerning a registrant or questions concerning the regulation of service contract providers and administrators may be addressed to the department at: Texas Department of Licensing and Regulation, P.O. Box 12157, Austin, TX 78711 or call (512) 463-6599.

The TERMS AND CONDITIONS section is amended by adding the following:

Our obligations under this Service Contract are insured under a service contract reimbursement insurance policy. You may apply for reimbursement directly to Lyndon Property Insurance Company, 14755 North Outer Forty Road, St. Louis, MO 63017, toll free (800) 950-6060, if a covered claim is not paid to You or a covered service is not provided to You within sixty (60) days after the date of proof of loss.

The following are changes under the CANCELLATION OF SERVICE CONTRACT Section:

Section 1) is deleted and replaced with the following:

You may cancel this Service Contract at any time by forwarding Your written request directly to the selling Vendor or Us. An odometer statement indicating the odometer reading at the date of the request for cancellation and proof of warranty purchase will be required.

If You return the Service Contract within the first thirty (30) days and if no claim has been made, We shall refund or credit Your account the full purchase price of the Service Contract. A cancellation fee will not be charged. If We do not pay the refund or credit Your account before the forty-sixth (46th) day after the date the Service Contract is returned to Us, We are liable to You for a penalty each month an amount remains outstanding. The monthly penalty may not exceed ten percent (10%) of the amount outstanding. You may apply for reimbursement directly to Lyndon Property Insurance Company if a refund or credit is not paid before the forty-sixth (46th) day after the date on which this Service Contract is returned to Us. The right to receive a full refund within the first thirty (30) days is not transferable and only applies to the original purchaser and only if no claims have been made.

If this Service Contract is canceled after the first thirty (30) days or a claim has been filed, We will refund the unearned Service Contract purchase price to You calculated on a pro-rata basis. The refund will be equal to the lesser amount produced using the number of days the Service Contract was in force prior to cancellation or the number of miles the Vehicle was driven prior to cancellation, less a processing fee of fifty dollars (\$50.00).

The following is added to Section 2):

If We cancel this Service Contract, We shall mail a written notice of cancellation to You at the last known address before the fifth (5th) day preceding the effective date of cancellation. Prior notice is not required if the reason for cancellation is nonpayment of the Service Contract price, a material misrepresentation by You to Us, a substantial breach of duties by You relating to Your Vehicle or its use. The notice will state the effective date of cancellation and the reason for cancellation.

UTAH

Note: Coverage afforded under this Service Contract is not guaranteed by the Property and Casualty Guarantee Association. This Service Contract is subject to limited regulation by the Utah Insurance Department. To file a complaint, contact the Utah Insurance Department at State Office Building, Room 3110, Salt Lake City, Utah 84114-6901.

The following are changes under the ARBITRATION section:

The first paragraph is deleted and replaced with the following:

ANY MATTER IN DISPUTE BETWEEN YOU AND US MAY BE SUBJECT TO ARBITRATION AS AN ALTERNATIVE TO COURT ACTION PURSUANT TO THE RULES OF THE AMERICAN ARBITRATION ASSOCIATION (“AAA”), UNDER THE CODE OF PROCEDURE IN EFFECT AT THE TIME THE CLAIM IS FILED. A COPY OF THE CODE OF PROCEDURE 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 JUDGEMENT IN ANY COURT OF PROPER JURISDICTION.

Item a. is deleted and replaced with the following:

If You dispute Our determination to deny You benefits under this Service Contract, You must submit written notice to Us of Your intent to arbitrate that dispute no later than three (3) years following Our determination. Your failure to meet this time requirement will prevent You from disputing Our determination, whether through arbitration or otherwise.

Item d., is deleted in its entirety.

The following language is deleted in its entirety:

IF THIS SERVICE CONTRACT IS FOUND NOT TO BE SUBJECT TO ARBITRATION, ANY LEGAL PROCEEDING WITH RESPECT TO ANY DISPUTE WILL BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE WITHOUT A JURY. BOTH PARTIES WAIVE ANY RIGHT TO A JURY TRIAL IN ANY SUCH PROCEEDING.

The following is added to the Service Contract:

You may include the Service Contract price with the financing of the Vehicle or pay the Administrator for the entire amount of the Contract separately.

The following is added to the TO FILE A CLAIM section:

We can be contacted at 1-800-871-0467. For emergency repairs, should a breakdown occur after the Administrator’s normal business hours and the cost of repair is \$350.00 or less, the pre-authorization requirement is amended. The Administrator must still be contacted the first working day following the Breakdown. Such unauthorized repair claims will be subject to adjustment in cases of excessive parts or labor charges.

Failure to file a claim within one hundred eighty (180) days does not invalidate a claim if You show it was not reasonably possible to file within one hundred eighty (180) days.

Section 2) of the CANCELLATION OF SERVICE CONTRACT section is deleted and replaced with the following:

We may cancel the Service Contract within the first sixty (60) days for any reason. If the Service Contract has been in effect for more than sixty (60) days, the Service Contract may cancel only for one or more of the following reasons:

- a. Nonpayment of Service Contract price;
- b. Material misrepresentation;
- c. A substantial change in the risk assumed unless We should reasonably have foreseen the change or contemplated the risk when entering the Service Contract; or
- d. Substantial breaches of contractual duties, conditions or warranties.

We will mail a cancellation notice which states the reason for cancellation to You at least thirty (30) days (ten (10) days for nonpayment of the Service Contract price) before the Service Contract is cancelled. Such cancellation notice will be delivered or mailed by first class mail.

VERMONT

The following are changes under the CANCELLATION OF SERVICE CONTRACT section:

Section 1), item a. is deleted and replaced with the following:

If this Service Contract is cancelled within sixty (60) days of the date of the mailing of this Service Contract and no claim has been made, the entire Service Contract price will be refunded. A cancellation fee will not be charged.

The following is added to Section 2):

We may cancel this Service Contract within the first sixty (60) days for any reason. If this Service Contract has been in effect for more than sixty (60) days, We may cancel this Service Contract only for one or more of the following reasons:

- a. Non-payment of the Service Contract price;
- b. Material misrepresentation;

- c. A substantial change in the risk assumed unless We should reasonably have foreseen the change or contemplated the risk when entering this Service Contract; or
- d. Substantial breaches of contractual duties, conditions or warranties under this Service Contract.

If this Service Contract has been in effect for more than sixty (60) days, We will mail a cancellation notice which states the reason and the effective date for cancellation to You at least forty-five (45) days (fifteen (15) days for non-payment of Service Contract price) before this Service Contract is cancelled. Such cancellation notice will be delivered by certified mail, except that in the case of cancellation for non-payment of the Service Contract price, notice shall be by certified mail or certificate of mailing.

The ARBITRATION provision is amended to state that arbitration is binding upon the parties only if both parties agree to the arbitration process.

The following is added to the TO FILE A CLAIM Section:

In the event of emergency repairs essential to public health, safety or welfare, and You are unable to reach the Administrator outside normal business hours to obtain prior authorization, You may proceed with repairs, but payment will be made in accordance with this Service Contract.

WASHINGTON

The following are changes under the TERMS AND CONDITIONS section:

The following definitions are added:

Service Provider: means the person that is contractually obligated to this Service Contract Purchaser/Holder under the terms of this Service Contract. This Service Contract is between You and Protective Administrative Services, Inc., Administrative Address: 51 Mill Street, Hanover, MA 02339. Toll Free (800) 871-0467.

Motor Vehicle/Vehicle: means the Vehicle covered by this Service Contract, which is the one identified on the Declarations Page.

Service Contract Purchase Price/Provider Fee: means the price paid by You for the purchase of this Service Contract.

Reimbursement Insurance Policy: means a policy of insurance issued to the Service Contract Provider to provide reimbursement to the Service Contract Provider to pay on behalf of the Service Contract Provider all contractual obligations incurred by the Service Contract Provider under the terms of the Service Contracts issued/sold by Issuing Dealer/Service Contract Seller.

Service Contract: means this Service Contract and Your completed Declarations Page.

Service Contract Purchaser/Holder: means the purchaser of this Service Contract as named in the Declarations Page.

Issuing Dealer/Service Contract Seller: means the person who sells the Service Contract to the Service Contract Purchaser/Holder.

We, Us, Our or Provider: means the Service Provider.

You or Your: means the Service Contract Purchaser/Holder as named on the Registration Page.

The last paragraph of under TERMS AND CONDITIONS and the NOTICE section are deleted and replaced with the following:

This Service Contract is guaranteed by policy number 55-WA-VW601-0906 issued by Lyndon Property Insurance Company, a Protective Company, 14755 North Outer Forty Road, Suite 400, St. Louis, MO 63017. Lyndon Property Insurance Company's toll-free telephone number is (800) 950-6060. You are entitled to make a direct claim against the insurance company at any time.

The following are changes under the WHAT IS NOT COVERED Section:

The following is added:

This Service Contract does not cover consequential damages.

The following is added to Item 4. under this section:

Your failure to perform maintenance must involve the failed part(s).

The cancellation section is deleted in its entirety and replaced with the following:

1) You may cancel this Service Contract any time.

- a. Cancellation requests received within thirty (30) days will receive a full refund unless You return the Service Contract ten (10) or more days after its purchase in which case

a cancellation fee of \$25.00 will be charged. A ten percent (10%) penalty shall be added to any refund that is not paid within thirty (30) days of the return of the Service Contract to Us.

b. All other cancellations are pro rated based upon term or mileage; whichever is greater. The refund of the unearned premium is less any claim payments that have been approved.

c. All other cancellations requested by You are subject to a twenty five dollar (\$25.00) cancellation fee.

d. Return to the Vendor, Administrator, or Provider to complete and sign the cancellation forms, or

e. Mail written notice to the Vendor, Administrator, or Provider if You desire to cancel the Service Contract.

f. You may also contact the insurance company directly for cancellation. A notarized odometer statement indicating the odometer reading at the date of the request will be required. The request for cancellation must be made no later than forty-five (45) days from the date that the cancellation is to become effective, (except in 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 the time of incident.

2) We may cancel for any reason within the first sixty (60) days. After sixty (60) days We may not cancel this Service Contract and are fully obligated under the terms of this Service Contract.

Written Notice of cancellation will be delivered to You at your last known address at least twenty-one (21) days prior to cancellation by registered mail. The notice shall state the effective date of the cancellation and the true and actual reason for the cancellation and will include any reimbursement required.

The Installment Payment Provision is deleted and replaced with the following:

In the event Your Service Contract is purchased at a point after You purchased Your vehicle and You are paying for Your Service Contract by use of a Retail Installment Contract (or its equivalent) any non-payment will result in a termination or modification of the original contract terms. If You choose to terminate coverage and receive a refund of any unused portion of the Service Contract, You must follow the procedures under the CANCELLATION OF SERVICE CONTRACT Section to obtain any refund. As an alternative to a refund You may select to have the expiration date and mileage of the Service Contract modified to reflect the portion of the Service Contract that You have paid for. The modified expiration date and mileage of the Service Agreement will be calculated on a pro rata basis by adding the amount of time and mileage that You have paid to the original in service date and in service mileage of the Service Contract. You may contact the Administrator toll-free at (800) 871-0467 for the modified terms of Your Service Contract.

The following are changes under the ARBITRATION provision:

Item a. is deleted and replaced with the following:

If You dispute Our determination to deny You benefits under this Service Contract, You must submit written notice to Us of Your intent to arbitrate that dispute as soon as reasonably possible following our determination.

Item d. is deleted and replaced with the following:

It is understood and agreed that the arbitration shall be binding upon the parties and that the state of Washington is the jurisdiction of any civil action in connection with this motor vehicle Service Contract. The commissioner of insurance is the Provider's attorney to receive service of legal process in any action, suit or proceeding in any court.

The following language is deleted from the Arbitration provision:

IF THIS SERVICE CONTRACT IS FOUND TO BE NOT SUBJECT TO ARBITRATION, ANY LEGAL PROCEEDING WITH RESPECT TO ANY DISPUTE WILL BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE WITHOUT A JURY. BOTH PARTIES WAIVE ANY RIGHT TO A JURY TRIAL IN ANY SUCH PROCEEDING.

The following is added to the TO FILE A CLAIM Section:

For emergency repairs, should a breakdown occur after the Administrator's normal business hours and the cost of repair is \$350 or less, the pre-authorization requirement is amended. The Administrator must still be contacted the first working day following the Breakdown. Such unauthorized repair

claims will be subject to adjustment in cases of excessive parts or labor charges. For repairs exceeding \$350, contact the Administrator on the next business day at (800) 871-0467.

WEST VIRGINIA

The ARBITRATION provision is deleted and replaced with the following:

If We and You do not agree whether coverage is provided under this Service Contract for a claim made by or against You, both parties may, by mutual consent, agree in writing to arbitration of the disagreement. If both parties agree to arbitrate, each party will select an arbitrator. The two arbitrators will select a third arbitrator. If they cannot agree upon the selection of a third arbitrator within thirty (30) days, both parties must request that selection of a third arbitrator be made by a judge of a court having jurisdiction. Unless both parties agree otherwise, arbitration will take place in the county in which the address shown in the declarations section is located. Local rules of law as to procedure and evidence will apply. A decision agreed to by any two will be binding. Payment of the arbitrator's fee shall be made by Us if coverage is found to exist. If coverage is not found, each party will:

- a. pay its chosen arbitrator; and
- b. bear the other expenses of the third arbitrator equally.

WISCONSIN

THIS WARRANTY IS SUBJECT TO LIMITED REGULATION BY THE OFFICE OF THE COMMISSIONER OF INSURANCE.

Under TO FILE A CLAIM, is deleted and replaced with the following:

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. Failure to obtain authorization prior to having repairs made may jeopardize Coverage under this Service Contract.

In the event of emergency repairs, and You are unable to obtain prior authorization, the burden is on You to retain replaced parts and prove that authorization could not be obtained and that the repair is covered under this Service Contract. For such emergency repairs Your claim will not be denied solely for the lack of prior authorization.

The amount authorized by the Administrator is the maximum amount that will be paid for repairs covered under the terms of this Service Contract. Any additional amount must receive prior approval.

Under REIMBURSEMENT OPTION – Once authorization is obtained and the repair is completed, all repair invoices and documentation must be submitted to the Administrator as soon as reasonably possible.

The ARBITRATION provision is amended as follows:

Arbitration is voluntary and non-binding.

The following are changes under the CANCELLATION OF SERVICE CONTRACT Section:

Section 1) a. and b. are deleted and replaced with the following:

1) a. All requests for cancellation shall be made to the selling vendor or Administrator. You may cancel this Service Contract at any time by forwarding Your written request, within thirty (30) days after the requested cancellation date, to the vendor or the Administrator. A copy of Your Service Contract and an odometer statement indicating the odometer reading of the Vehicle at the date of the request for cancellation will be required. If this Service Contract is cancelled by You within the first thirty (30) days of the effective date of this Service Contract the entire Service Contract price will be refunded, less a cancellation fee of fifty dollars (\$50.00).

b. If this Service Contract is cancelled after the first thirty (30) days, the unearned Service Contract price will be refunded to You calculated on a pro-rata basis. The refund will be equal to the lesser amount produced using either the number of months this Service Contract was in force or the number of miles, in thousand of miles or portion thereof, the Vehicle was driven prior to cancellation, less a cancellation fee of fifty dollars (\$50.00).

Include with Your refund request, proof that there is no lien or outstanding credit obligation against this Service Contract. If such proof is not provided, or if there is a lien or outstanding credit obligation against this Service Contract, the lienholder or creditor will be named with You as a joint payee of the refund.

Section 2) is deleted and replaced with the following:

We may cancel this Service Contract based on one or more of the following reasons:

- (A) the Vehicle's odometer is disconnected or altered;
- (B) the Vehicle is used in a manner not covered by this Service Contract;
- (C) You do not pay the Service Contract price; or

(D) the Vehicle has been altered beyond manufacturer's specifications. If this Service Contract is cancelled by Us, the unearned Service Contract price will be refunded to You calculated on a pro-rata basis. The refund will be equal to the lesser amount produced using either the number of months this Service Contract was in force or the number of miles, in thousand of miles or portion thereof, the Vehicle was driven prior to cancellation, less a cancellation fee of fifty dollars (\$50.00).

Under WHAT IS NOT COVERED, the first all capped paragraph is deleted and replaced with the following:

Failure to obtain authorization prior to having repairs made may jeopardize Coverage under this Service Contract.

WYOMING

The following are changes under the CANCELLATION OF SERVICE CONTRACT Section:

1) a. is deleted and replaced with the following:

If this Service Contract is cancelled by You within the first thirty (30) days of the effective date of this Service Contract and You have not incurred a claim, the entire Service Contract price will be refunded. A cancellation fee will not be charged. If this Service Contract is cancelled within the first thirty (30) days without an incurred claim and a refund is not paid or credited within forty-five (45) days after the return of the Service Contract, a ten percent (10%) penalty per month shall be added to the refund.

The following is deleted from this section:

The Administrator agrees to pay on behalf of the vendor, the unearned refund based on the consideration received from the vendor. The vendor agrees to pay the unearned portion of the commission originated from the Service Contract sale.

The following is added to Section 2):

If We cancel this Service Contract for any reason other than non-payment of the Service Contract price, a material misrepresentation by You, or a substantial breach of duties by You relating to the Vehicle or its use, the Administrator shall mail a written notice to You at least ten (10) days prior to cancellation, stating the effective date of the cancellation and the reason for the cancellation.

The last three paragraphs under the CANCELLATION OF SERVICE CONTRACT section are deleted and replaced with the following:

- If a lending institution has financed the purchase of this Service Contract and the Service Contract is cancelled by You, the refund check will be made payable to the lending institution and You jointly.
- If the vehicle is repossessed by the lien holder, or if the vehicle is either totaled or an unrecovered theft, the refund check will be made payable to the lien holder.
- All appropriate refund checks not involving a lien holder will be made payable to You.

The ARBITRATION provision is amended to state that arbitration is voluntary and nonbinding.