



ULTRA PROTECTION PLAN

Provided by:

American Guardian Warranty Services, Inc.

800 Roosevelt Road

Glen Ellyn, IL 60137

(800) 579-2233 / Fax: (630) 790-6035

VEHICLE SERVICE CONTRACT TERMS AND CONDITIONS

This Contract is subject to the following terms and conditions. **No alterations, changes or waivers of provisions may be made to this Contract.** The benefits available under this Contract are strictly provided to You for repairs to the Vehicle. The purchase of this Contract is not required to obtain financing or purchase the Vehicle. Important: State Guidelines and Regulations where the Contract was sold take precedent over the Terms and Conditions.

Coverage

All parties agree while this Agreement is in effect, We will authorize the Cost for covered components and repairs, subject to the terms found in the section titled Exclusions including, without limitation, the 90 day and 1,000 mile exclusionary period.

- 1. ENGINE (Gas or Diesel):** All internally lubricated parts including: pistons, piston rings, piston pins, crankshaft and main bearings, connecting rods and bearings, camshaft and bearings, timing chain or belt, timing gears, engine block, cylinder heads, intake and exhaust valves, valve springs, valve guides, oil pump, push rods, rocker arms, rocker arm shafts, hydraulic and solid lifters
- 2. WATER PUMP:** Impeller shaft, bearings, bushings and housing.
- 3. TURBO/SUPERCHARGER:** Housing and all internally lubricated parts; vanes; shafts; and bearings.
- 4. TRANSMISSION; (Automatic or Standard):** Transmission case and all internally lubricated parts; torque converter; vacuum modulator and mounts. Does not include clutch assembly; pressure plate; flywheel; throw out bearing; worn synchronizers; cables or electrical items.
- 5. TRANSFER UNIT (4x4):** Transfer case housing and all internally lubricated parts including: bearings, bushings, sprockets, chains, sleeves and gears (excluding electrical items).
- 6. DRIVE AXLE.** Differential housing, transaxle housing & final drive housing, and all internally lubricated parts contained within the housings.
- 7. SEALS AND GASKETS:** Seals and Gaskets are replaced only as part of repair or replacement of the above covered components. Leaking gaskets or seals are not covered as individual repairs.
- 8. TAXES AND FLUIDS:** State and Local taxes where applicable. Fluid needed to complete a covered repair.

Optional Coverage

- 1. COMMERCIAL USE:** When indicated on the application page and a surcharge has been paid. The Administrator will cover repairs subject to the following conditions:
Eligible Vehicles: passenger cars, light trucks and vans up to and including one ton trucks used for: route sales and/or route service, inspections, maintenance or repair purposes, carrying tools to a job site, farming and ranching. If towing, the vehicle must be equipped with the manufacturer's installed towing package and not specifically excluded under Ineligible Vehicles. **Note: Extra Maintenance is Required:** The owner must perform the manufacturer's "Severe Duty" maintenance service schedule in the manufacturer's Vehicle owner's manual and provide receipts proving the required maintenance was performed in the event of a claim. **Ineligible Vehicles:** multiple driver vehicles and any vehicle used for commercial hauling, delivery, shuttle, taxi or limousine service, police, law enforcement or emergency services, security services, snow plowing, cable or line installation, or removal, any rental vehicle, vehicles equipped with flat beds, dump beds, commercial towing equipment, lifting or hoisting equipment, step vans, high cube vans or box bodies. Vehicles used for carrying or towing payloads in excess of manufacturer specifications are also not eligible.
- 2. INCREASED LIMITS OF LIABILITY (total \$7,000):** When indicated on the application page and a surcharge has been paid, the Administrator will increase the limits of liability to the following aggregate values: *Engine, Turbo/Supercharger and Water Pump claims* – aggregate \$3,500; *Transmission and Transfer Unit Claims* – aggregate \$2,000; *Differential* – aggregate \$1,500; the limit of liability for the total of all claims and repairs is \$7,000. All other terms and conditions outlined in the Section Limits of Liability shall apply.
- 3. AIR CONDITIONING COMPRESSOR:** When indicated on the application page and a surcharge has been paid, the Administrator will provide an additional \$1,000 of coverage for a failure of the Air Conditioning Compressor. The limit of liability for the total of all claims and repairs of the Air Conditioning Compressor shall not exceed \$1,000.

Benefits

- **CAR RENTAL REIMBURSEMENT:** Should the Contract Holder's Vehicle become inoperable and have to remain overnight for repair at the Dealership or Authorized Repair Facility, Administrator agrees, in the event of a Failure of a covered component, to reimburse the Contract Holder for rental car transportation from a commercial rental agency (except where prohibited by law). Such expense shall be limited to thirty dollars (\$30) per calendar day and not to exceed one hundred fifty dollars (\$150) per occurrence. In computing the amount due under this rental Coverage, only actual factory manual repair time on the Vehicle is covered. Example 1 to 8 hours = 1 day; 8.1 to 16 hours = 2 days; 16.1 to 24 hours = 3 days; 24.1 to 32 hours = 4 days, 32.1 to 40 hours = 5 days. Car rental benefit will not be extended to include downtime waiting for parts or other delays beyond control of the Dealer or Authorized Repair Facility. To receive reimbursement, You must present receipts, including proof of payment, from the licensed rental agency within sixty (60) days of the completion of the covered repairs.

- **TOWING ASSISTANCE:** When towing is necessary as a result of the failure of a covered component and the Vehicle is towed to the nearest authorized service facility, You will be reimbursed up to \$50.00. To receive reimbursement, You must present receipts, including proof of payment, from the licensed towing agency within sixty (60) days of the completion of the covered repairs.
- **TRAVEL REIMBURSEMENT:** Reimburse the Contract Holder for motel and restaurant expenses up to \$50 per day for a maximum of three (3) days in the event of a Breakdown covered by the Contract, which occurs more than one hundred (100) miles from your home and results in a Repair Facility keeping the vehicle overnight. The maximum benefit per occurrence is \$150. TO RECEIVE MOTEL AND RESTAURANT REIMBURSEMENT, THE CONTRACT HOLDER MUST SUPPLY AMERICAN GUARDIAN WARRANTY SERVICES, INC., WITH HIS/HER RECEIPTS FROM THE PROVIDERS OF SUCH SERVICES. **Pursuant to California Law, If this Agreement was purchased in the State of California, this benefit is not provided to You.**

Definitions:

Administrator – means American Guardian Warranty Services, Inc. who is also the obligor of this Contract

Contract – means the service Agreement that is a Contract between You and Us.

Breakdown or Failure – means the failure of an original or replacement part, covered by this Contract, to perform its function as it was originally designed to work in normal service with required maintenance due to material failure or defects in workmanship and outside the manufacturer's tolerance.

Commercial Use Vehicle – means a vehicle registered to a business and/or used for business purposes. Unless identified on the application page and a surcharge is paid, as outlined in Section Optional Coverage: Commercial Use, Commercial Use Vehicles are expressly excluded from coverage under this Contract.

Cost – means the usual and fair charges for parts and labor necessary to repair covered parts. Replacement of any covered part may be made with new, remanufactured, rebuilt or like kind and quality at the time of Breakdown at the discretion of the Administrator. Parts will be reimbursed up to manufacturer's suggested list price. Labor time will be reimbursed using nationally recognized labor time standards.

Deductible – means the amount that You must pay for covered repairs per occurrence as indicated in Section 5 on the application page of this Agreement.

Pre-Existing Condition – means a condition or Breakdown that occurred before Your purchase of the Contract that would have been obvious and apparent if the component had been inspected at the time of purchase.

Selling Dealer – means the retail seller of this Contract to You for the covered Vehicle described in Section 1, Vehicle Information.

Vehicle or Covered Vehicle – means the Vehicle described under Section 1, Vehicle Information.

We, Us or Our – the Administrator who is the Contract Obligor on the application page of this Contract.

You and Your – means the purchaser identified on the application page of this Contract.

Insurance Company Statement

Our obligations are guaranteed by an insurance policy (No. 3312) issued by Virginia Surety Company, Inc. In the event that **We** cease to operate, are bankrupt, or fail to pay an authorized claim within sixty (60) days after proof of loss is filed, **You** may file a claim directly with **Virginia Surety Company, Inc., 175 West Jackson Blvd., Chicago, IL 60604 (800) 209-6206.**

Terms and Conditions

The following represents the Coverage, Benefits, What to do in the Event of a Failure, Cancellations, and Exclusions of Your Vehicle Service Contract. .

1. **CONTRACT PERIOD:** This Contract begins on the date this Contract was purchased and expires upon the passing of the number of months or miles of the Contract Term specified on the application page. Both Parties agree to the ninety (90) day and 1,000 mile exclusionary period identified under the section titled **Exclusions-What is Not Covered (See Exclusion #1).**
2. **FAILURE OF COVERED PARTS:** Subject to the Limits of Liability and items found under Exclusions, the Administrator will pay or reimburse You or the repair facility for the Cost to repair or replace any Failure of a part included in Your Coverage. Replacement parts may be new, remanufactured or replacement parts of like kind and quality. The Administrator reserves the right to inspect Your Vehicle to evaluate covered repairs.
3. **TERRITORY:** This Contract is limited to Failures, which occur, and repairs that are made, within the United States of America and Canada.
4. **LIMIT OF LIABILITY:** The Maximum limit of liability shall be equal to \$5,000 or the actual cash value (ACV) of the vehicle at the time of repair according to the most recent published NADA guide for retail price, whichever is less. If a claim exceeds the actual cash value of the vehicle and the Administrator elects to pay the actual cash of the vehicle, the vehicle becomes the property of the Administrator for salvage. You must be able to provide free and clear title prior to Administrator paying the ACV. For the \$5,000 Limit of Liability, the aggregate limit of liability per covered vehicle is as follows:
 - a) \$3,000 in Engine, Turbo/Supercharger and Water Pump claims.
 - b) \$2,000 in Transmission and Transfer Unit claims.
 - c) \$1,500 in Differential claims.

Optional: When indicated on the application page and a surcharge has been paid, the Administrator will increase the limits of liability, subject to the terms of the Section titled **Optional Coverage: INCREASED LIMITS OF LIABILITY** to a total \$7,000.

Note: **Once the Limit of Liability of this Contract has been reached (maximum amount for liability has been paid through claims), this Contract, its transfer and cancellation rights terminate.**

5. **TRANSFER RIGHTS:** This Contract is for the benefit of the original Contract holder and is transferable subject to a transfer fee providing:
 - a) Proof of transfer of the remaining manufacturer's warranty is provided, if applicable.
 - b) Contract is being transferred to a subsequent private purchaser of Your

Vehicle. (Transfer rights are voided when Vehicle is either traded, sold or put on consignment to an individual or entity engaged in the wholesale or retail sale, leasing or rental of Vehicles.)

- c) The Administrator reserves the right to reject a transfer

You must submit the following:

- a) Transfer application (Available from Administrator).
- b) Bill of sale showing sale date and mileage at time of sale.
- c) \$100.00 Transfer fee made payable to the Administrator within thirty (30) days of the transfer of Vehicle ownership.

6. MAINTENANCE REQUIREMENTS: You must:

- a) **Perform the manufacturer's recommended maintenance including keeping receipts for services from the date of purchase. The required receipts include Date, Mileage, Service Performed and Service Provider. These records will be requested by the Administrator for the investigation of a claim.**
- b) **Use all reasonable means to protect Your Vehicle from further damage when a Breakdown occurs.**
- c) **You must authorize necessary labor time for the repairer to diagnose a Breakdown.**
- d) **Direct the repair facility to Call American Guardian at 1-800-579-2233 to report a claim. You must obtain Repair Authorization from American Guardian Warranty Services prior to repairing any covered component.**
- e) **To receive reimbursement for Your authorized claim You must submit the following within 60 days of approval: A) the original Repair Order signed by You. B) Proof of Payment with a Cash Register Receipt/Credit Card Receipt/Personal Check Copy. C) Where applicable, copies of original Towing or Rental Bill with proof of payment.**

7. DEDUCTIBLE: In the event of a Failure covered by this Contract, You will be required to pay a one hundred (\$100) Deductible. The Deductible type and amount You have to pay is shown on the Contract, for covered Failures on a per repair visit basis. Should a covered Failure require more than one visit to repair, only one Deductible will apply to that Failure.

8. SUBROGATION: If You receive benefits under this Contract, We will be entitled to Your rights to recover against any manufacturer, insurance company or service Agreement provider who may be responsible to You for Costs covered under this Contract or any payments made by Us. If We ask, You agree to cooperate with Us in any matter concerning this Contract or, to enforce Our rights.

9. ARBITRATION: Any controversy or dispute arising out of or relating in any way to this Contract or sale thereof, including the applicability of this arbitration clause and validity of the Contract, shall be resolved by neutral binding arbitration by the National Arbitration Forum (NAF), under the Code of Procedure in effect at the time the claim is filed. All preliminary issues will be decided by the arbitrator.

- a. If You dispute Our determination to deny You benefits under this 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 in a location near Your residence before a single arbitrator selected in accordance with NAF Code of Procedure, NAF rules and forms may be obtained and all claims shall be filed at any NAF office, www.arb-forum.com, or POB 50191, Minneapolis, MN 55405. The NAF may be reached at 615-631-1105 or 1-800-474-2371.
- c. Except for filing fee and the costs You may incur to present Your case, the cost of the arbitration shall be borne by Us, provided that should the arbitrator find that You have raised a dispute without substantial justification, the arbitrator shall have the authority to order that the cost of the arbitration shall 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 of the commencement and completion of the arbitration hearing. Neither party may recover punitive or exemplary damage awards in any arbitration proceeding.
- f. The Contract to arbitrate will survive the termination of this Contract.
- g. IF THIS 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.
- h. Please see Your State Requirements for other important Contract provisions.

What to do in the Event of a Failure

- 1 Prevent Further Damage - You should use all reasonable means and precautions to protect Your Vehicle from further damage. This Contract will not cover damage caused by not securing a timely repair of the failed component.**
- 2 Take Your Vehicle to a Licensed Repair Facility - If Your Vehicle breaks down, return to the Issuing Dealer during normal service department hours. If this is not possible, take Your Vehicle to the licensed repair facility of your choice (You may contact Administrator for assistance in locating a repair facility).**
- 3 Instruct the repair facility that they must obtain an authorization number from Administrator prior to proceeding with repairs. The amount so authorized is the maximum that will be paid. Any additional amounts need prior approval.**
- 4 In some cases, You may be required to authorize the repair facility to inspect or tear down Your Vehicle to determine the cause and cost of the repair. You will be responsible for these charges if the Failure is not covered by this Contract. We reserve the right to require an inspection of Your Vehicle prior to any repair being performed.**
- 5 After Administrator has been contacted, review with the repair facility**

components that will be covered by this Contract.

- 6 Administrator will reimburse the repair facility or You for the cost of authorized repairs performed on Your Vehicle, less Your Deductible. All repair orders and necessary documentation must be submitted to Administrator within thirty (30) days.

Repair Facility Guidelines for Claims handling follow these steps when handling a claim:

1. Advise Contract holder that evaluation of a Failure does not mean that the repair is covered under this Contract. All covered repairs must receive prior authorization from the Administrator.
2. Have Contract holder authorize inspection/tear down of the Vehicle to determine Failure's cause and cost to repair. Save all components, including fluids and filters, should Administrator require outside inspection. Notify Contract Holder that cost of tear down will not be paid if it is determined that Failure is not covered under this Contract.
3. Determine the cause of Failure, correction required and cost of the repairs.
4. **Contact Administrator's Claims Advisor at 800-579-2233 to get authorization to proceed with the claim (Authorization must be obtained prior to any repair).** Be prepared with the following when placing the call:
 - a. Customer's Name and Contract Number.
 - b. Cause of Failure and recommended correction.
 - c. Cost of repair.
5. The Claims Advisor will verify Coverage and do one of the following:
 - a. Approve Claim - if approved, You will be given an authorization number to be recorded on the repair order. The authorized amount is the maximum that will be paid. Additional amounts must receive prior approval.
 - b. Require Additional Evaluation, Inspection or Tear Down - Administrator may require an inspection prior to repair being completed. If a tear down is required to determine cause of Failure, Contract holder must authorize same. Notify Contract holder that if the repair is not covered, then Contract holder will be responsible for cost of the tear down. Repair facility should save all components requiring inspection, including fluids and filters. The Claims Advisor will arrange for the inspection. If inspection is not made within forty-eight (48) hours, contact the Claims Advisor.
 - c. Deny the claim and provide the reason for the denial.
6. Review Administrator's findings with Contract holder as well as what will be covered by Contract and what portion of the repairs, if any, will not be covered.
7. Obtain Contract holder's authorization to complete repairs. All repair orders must have customer's signature to qualify for payment
8. Submit repair order(s) which should contain Contract number, authorization number and authorized amount to Administrator within thirty (30) days at the following address:

**American Guardian Warranty Services, Inc.
800 Roosevelt Road, Glen Ellyn, IL 60137**

Emergency Repair: If a covered part has a Covered Breakdown at any time outside of Claims Department regular business hours, You may take on of the following steps.

- Wait until regular business hours and then follow the normal claims procedure outlined above.
- Authorize and pay for any teardown or diagnostic time needed to determine whether your vehicle has a Covered Breakdown. If you reasonably determine that you have a Covered Breakdown and you choose to have your vehicle repaired, you are responsible for paying the repair. You must then call the Administrator during the next available regular business hours so that the Administrator may determine whether there was a Covered Breakdown. If the Administrator determines that there was a covered Breakdown, then we will pay you in accordance with the terms and conditions of this Agreement.

You must obtain a Repair Authorization Number from Our Claims Department to assure reimbursement under this Agreement.

Call Toll Free at 1-800-579-2233 for Instructions and Repair Authorization.

No Payment for a Claim will be made without Authorization.

Cancellation of Vehicle Service Contract

In the event the vehicle is repossessed, declared a total loss or you give notice of cancellation. You may cancel this Contract.

1. You must notify Us at (800) 579-2233. A cancellation form indicating the odometer reading at the date of request and a copy of your most recent repair order or maintenance receipt will be required.
2. If your vehicle and this Contract has been financed, the lienholder may cancel this Contract for nonpayment, or if your vehicle has been declared a total loss or has been repossessed. The rights under this Contract are transferred to the lienholder and the lienholder is also entitled to any resulting refund.
3. If this Contract is cancelled within thirty (30) days of the Sale Date and no claim has been made, We will refund the full amount of the Cost of the Contract. If the Contract is cancelled after the first thirty (30) days or a claim has been filed, the refund will be made on an amount of the Contract charge according to the pro-rata method reflecting the greater days in force or the miles driven based on the term of the plan selected and the date coverage begins, less a \$35.00 dollar administrative fee. In the event of cancellation, the lienholder if any, will be named on the refund check.
4. Important: State Guidelines and Regulations where Contract was sold take precedent over these terms. Where permitted by State law, any claim incurred or paid will be deducted from the amount of the cancellation refund.

Exclusions-What Is Not Covered:

Where permitted by state requirements the following are not covered (See State Requirements):

1. Failure of a covered component within the first ninety (90) days and 1,000 miles after the start date will not be covered.
2. Pre-Existing Condition(s). When the Selling Dealer or Independent Repair Facility using the Administrator's inspection form verifies that the protected

assemblies are in proper working condition, We will waive the Pre-Existing Condition exclusion in this Agreement.

3. For damage to a covered component caused by the failure of a component not listed as covered under this Agreement.
4. Repairs covered under the original manufacturer's warranty whether or not that warranty was transferred to You. Any Cost, repair, replacement or benefit for which the manufacturer has announced its responsibility through any means including recalls or service bulletins.
5. Repairs beyond those required to correct a Breakdown.
6. Any covered repair not authorized in advance by Us.
7. Damage caused by continued operation of an impaired vehicle.
8. Damage caused by towing the Vehicle in a manner not consistent with the manufacturer's recommendations.
9. Overloading the Vehicle beyond the manufacturer's recommended capacity.
10. Repairs when Your Vehicle's odometer reading does not reflect the true mileage the vehicle has been driven for whatever reason.
11. A Breakdown caused by or involving modifications, alterations or additions to Your Vehicle unless those modifications, alterations or additions were performed by or recommended by the original Vehicle manufacturer.
12. For towing a trailer or another vehicle unless Your Vehicle was equipped by the manufacturer for that purpose.
13. Repairs required because of technician negligence, overheating, detonation, sludge or carbon deposits, contamination, rust, corrosion, electrolysis, operation without the proper lubrication levels or fluid type, and the failure to perform the manufacturer's recommended maintenance.
14. Repairs made outside the United States and Canada.
15. Repairs required because of: fraud, collision, abuse, negligence, neglect, misuse, abuse, road hazard, racing, off-road use, vandalism, riot, theft, flood, fire, war, acts of God or loss that is normally covered by Casualty Insurance.
16. The Cost of teardown, disassembly or assembly when a Breakdown is not covered by this Agreement.
17. Repairs that are covered under a repairer's guarantee or another Service Agreement Provider's coverage.
18. Incidental or consequential damage, loss of profits, property damage, personal injury, inconvenience, loss of Vehicle use, commercial loss, punitive or exemplary damages, attorney fees.
19. Service adjustments and cleaning, reprogramming not related to the repair of a covered Breakdown, alignment not related to a covered Breakdown, carburetor, and throttle body. Air conditioning recharge, refrigerant, coolant, lubricants, fluids not related to the repair of a covered Breakdown. Batteries, belts, hoses, filters and PCV. EGR Valve and Oxygen Sensor (except Platinum and Gold Coverage Level). Ignition wires, distributor cap, spark plugs, glow plugs, tune up, wiper blades, fasteners unless required for the repair of a covered Breakdown, tires, wheels, wheel balancing, MacPherson Struts or Suspension Struts, shock absorbers, disc brake pads, brake shoes, brake rotors, brake drums, manual clutch disc/pressure plate, pilot and throw out bearing and clutch slave cylinder, light bulbs, sealed beams, exhaust system including

catalytic converter(s), storage, freight charges, shop supply charges, miscellaneous charges, document charges, hazardous waste charges, repairs to retrofit or replace components due to compliance with any law or legislation.

- **Warranty of Merchantability and Warranty of Fitness for a particular purpose are expressly excluded.**

Where permitted by State Law, (See State Requirements) this Agreement provides no benefits or coverage and We have no obligation under this Agreement if:

1. **The Vehicle Odometer fails to register or record actual mileage for any reason while owned by You.**
2. **You rent Your Vehicle to someone else.**
3. **Your Vehicle is used for business, deliveries, construction, commercial hauling, postal service, taxi, police or other emergency services.**
4. **Your Vehicle is used for snow plowing, competition, or speed events.**
5. **Your Vehicle is modified from the Vehicle manufacturer's original specifications regardless of who or when the modifications were made.**
6. **For fraudulent representations to obtain this Agreement or presenting a claim under this Agreement.**
7. **Your Vehicle is identified as a Gray Market Vehicle, Total Loss, Salvaged, Rebuilt, Flood damaged or where the odometer reading is beyond mechanical limits.**

All States: Venue-The parties hereto agree that for purposes of litigation the venue shall be in the appropriate judicial district in the County of DuPage, State of Illinois, unless venue is required to be in the state wherein the Service Agreement is purchased. Venue is then deferred to the state's requirements.