



PEOPLE'S VEHICLE PROTECTION



Vehicle Service Protection  
Coverage down the road

# **NOTE TO THE CUSTOMER**

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

**Thank You.**

SAMPLE COPY FOR SALE

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SAMPLE NOT FOR SALE

## DEFINITIONS

**Administrator:** Refers to Royal Administration Services, Inc., 51 Mill Street, Hanover, MA 02339. Toll-free assistance is available at 1-800-871-0467.

**We, Us and Our:** Refers to the Provider/Obligor.

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

**Vendor/Dealer:** Refers to the Service Contract Seller.

**Provider/Obligor.** This vehicle Service Contract is between the Service Contract Purchaser and **AMT Warranty Corp.**, 59 Maiden Lane, 6<sup>th</sup> Floor, New York, NY 10038. In Florida and Oklahoma this Service Contract is between You and **Wesco Insurance Company** (Florida Certificate of Authority Number: 01913). **Wesco Insurance Company** has contracted with Royal Administration Services, Inc. Florida Certificate of Authority No: 60109, to handle the administrative functions of this Service Contract. The Provider's administrative address is: 51 Mill Street, Hanover, MA 02339.

**Service Contract:** Refers to this vehicle Service Contract issued to You and covering Your vehicle that is described on the Declaration 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 inquires should be directed to the Administrator. Toll-free assistance is available at (800) 871-0467.

## BREAKDOWN OF COVERED PARTS

The Administrator will reimburse You for the 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". Coverage applies to those parts listed in the Plan Coverage Section, and includes labor time and any applicable state taxes. **Coverage does not apply to gradual reduction in operating performance of parts due to wear and tear. Damaged parts may be replaced, depending upon availability, with like quality (LKQ), used, rebuilt, remanufactured, or new parts.** The Administrator at all times 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 to proceed with repairs.

**If Your vehicle breaks down, You may visit any licensed repair facility in the Continental United States (including Alaska and Hawaii) or Canada. You must pay, to the repairing facility, the deductible stated on the Declaration Page per visit.**

**Labor:** Labor time-capsules will be determined by a current nationally published flat-rate manual. Labor costs for authorized repairs will be based on the posted labor rate of the licensed repair facility but in no event will exceed \$85.00 per hour.

**Labor Rate Option:** If You have selected the Labor Rate Option at the time of purchase of this Service Contract the labor rate for any covered repair shall be in accordance with the posted labor rate of the licensed repair facility You selected. Labor time-capsules will be determined by a current nationally published flat-rate manual.

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 from a licensed repair facility 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 **Wesco Insurance Company** which is located at **59 Maiden Lane, 6<sup>th</sup> Floor, New York, NY 10038** or by telephone at **(866) 505-4048**.

## **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 Declaration 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 coverage You selected.)**

**ENGINE:** 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 and axle bearings.

**POWERTRAIN PLUS:** 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**

**Air Conditioning:** 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. **Seepage of seals and gaskets is considered normal wear and tear and is not covered under this Service Contract.**

**11. Air Conditioning:** 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, Powertrain Plus, and Classic coverages 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 Declaration Page**). The following benefits are provided to You: All internally lubricated parts due to mechanical failure.

### **WHAT IS NOT COVERED**

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

1. 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.

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

3. 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.

4. The repair of valves and/or rings, if the purpose of such is simply to raise the engine's compression or oil consumption 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.

5. 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.

6. **INELIGIBLE VEHICLES:** Any vehicle not expressly listed on the current Service 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.

7. 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 regardless of their ability to pay for such repair. 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.

8. Any breakdown caused by contamination of fluids, fuels, use of fuels containing more than 10% ethanol, coolants, or lubricants, or rust or corrosion. Any damage due to loss of fluid is not covered.

9. 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.

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

11. 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.

#### **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 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 or claims service, nor the vendor's insurer, can be held liable for the return of the purchase price or any part thereof as paid under the 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.

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 this Service Contract is cancelled by You, the refund check will be made payable to the lending institution.
- 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 the selling vendor.

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.

## **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 and all copies of the vehicle's maintenance records from a licensed repair facility showing actual oil changes and manufacturer's required maintenance must be given to the new owner at the time the Service Contract transfer is completed. Any remaining manufacturer's warranty must also be transferred at the same time as the vehicle's ownership is transferred. 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 Declaration 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](http://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/Obligor (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/Obligor or any agent of the Provider/Obligor 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 the Provider/Obligor 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/Obligor. 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 Declaration Page per visit.
3. Pay for any charges not covered by this Service Contract.
4. Have an authorization number.
5. Sign the repair order.

## **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. All items submitted for reimbursement must contain Your signature.

**NOTICE:** Our obligations under this Service Contract are backed by a reimbursement insurance policy issued by **Wesco Insurance Company**, 59 Maiden Lane, 6<sup>th</sup> Floor, New York, NY 10038. Wesco Insurance Company's toll-free telephone number is (866) 505-4048. If any valid claim is not paid within sixty (60) days after proof of loss has been filed with Us, You may contact Wesco Insurance Company directly.

**Administrator:**  
**Royal Administration Services, Inc.**  
**51 Mill Street • Hanover, MA 02339**  
**Phone: 1-800-871-0467 • Fax: 781-261-2522**  
**Florida Certificate of Authority #60109**

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

**ALABAMA**

Under CANCELLATION OF SERVICE CONTRACT item 3.d. is deleted and replaced with the following:

d. All cancellations made by You after 30 days are subject to a twenty-five (\$25.00) dollar processing fee. If WE cancel this Service Contract no cancellation fee will be charged.

The following is added to the Cancellation of Service Contract provision:

A ten percent (10%) penalty per month shall be added to a refund that is not paid or credited within forty-five (45) days after the return of the Service Contract.

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

This Service Contract does not cover consequential damages.

**ALASKA**

Under WHAT IS NOT COVERED, Section 3. 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.

Under CANCELLATION OF SERVICE CONTRACT item 3 is deleted and replaced with the following:

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. 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.

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

If We cancel this Service Contract, We shall mail a written notice of cancellation to You at Your last known address at least sixty (60) days before the effective date of the cancellation. However, if We cancel this Service Contract for nonpayment of the Service Contract price, or for failure or refusal by You to provide the information necessary to determine the premium, We will mail a written notice of cancellation to You at Your last known address before the 20th day preceding the effective date of cancellation. If We cancel this Service Contract for conviction of You of a crime having as one of its necessary elements an act increasing a hazard insured against or for discovery of fraud or material misrepresentation made by You or a representative of You in obtaining this Service Contract or by You in pursuing a claim under the Service Contract, written notice shall be mailed to You at Your last known address at least ten (10) days before the effective date of the cancellation.

The ARBITRATION provision is amended to state that arbitration is voluntary and nonbinding and Item 3.d. is deleted in its entirety. The last paragraph of the ARBITRATION provision is deleted and replaced with the following:

**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 IN ALASKA.**

**ARIZONA**

Under CANCELLATION OF SERVICE CONTRACT, Section 1, Subsections 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 contract price paid and less a fifty dollar (\$50.00) cancellation fee.

#### ARKANSAS

**The contract You are buying is not required in order to purchase or finance a vehicle.** Wesco Insurance Company's phone number is 1-866-505-4048.

Under CANCELLATION OF SERVICE CONTRACT, Section 3. Subsection d. is deleted and replaced with the following:

All cancellations are subject to a \$50.00 cancellation fee.

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

California Provider License Number for the Provider, AMT Warranty Corp., is 0H18143.

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: Wesco Insurance Company, 59 Maiden Lane, 6<sup>th</sup> Floor, New York, NY 10038. If You are not satisfied with the insurance company's response, You may contact the California Department of Insurance at 1-800-927-4357.

The following is added to the Terms and Conditions provision:

The toll-free number at AMT Warranty Corp., is 1-866-327-5818

DEFINITIONS - The definition of a Breakdown is deleted and replaced with the following:

Breakdown - Means the failure of a covered part under normal service due to defects in material and parts.

Item 4 under WHAT IS NOT COVERED is revised to read as follows:

**4. 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 following is revised under 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 the NADA trade-in value.**

**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 Service Contract purchase.**

b. If this Service Contract is cancelled because the VEHICLE is repossessed, the lienholder or creditor will be the sole payee of the refund.

c. 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.

d. 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 charge paid. If this SERVICE CONTRACT is canceled within the first sixty (60) days and a claim has been filed, WE will refund an amount of the SERVICE CONTRACT charge according to the pro rate 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 began. If this Service Contract is canceled after the first sixty (60) days, 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, less an administration fee of twenty-five dollars (\$25.00) or 10% of the Service Contract charge, 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 charge 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 greater of the days in force or the miles driven based on the term of the plan selected and the date coverage begins, 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 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 charge paid. 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, less any claims paid or approved for payment prior to the cancellation date.
  - c. 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 greater of the days in force or the miles driven based on the term of the plan selected and the date coverage begins 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 greater of the days in force or the miles driven based on the term of the plan selected and the date coverage begins, less the amount of any claims paid prior to cancellation rather than a full refund.
7. In the event of cancellation, the lienholder, if any, will be named on a cancellation refund check as their interest may appear.

We are responsible for payment of any refund which will be issued through the Administrator.

The following is added under ARBITRATION:

This provision shall inure to the benefit of and be binding on You and Us following exhaustion of Your right to file claims with the Insurance Company and/or the California Department of Insurance ("DOI") as specified on the Registration Page. However, if You choose to forego Your right to file Your claims with the Insurance Company and DOI, You waive those rights and this Provision will be enforced and binding. The arbitrators shall not have the power to commit errors of law or legal reasoning, and the award may be vacated or corrected on appeal to a court of competent jurisdiction for any such error. Reference to the Federal Arbitration Act in the Arbitration provision of this Contract shall be replaced with the following citation: CCA (CCP § 1280 et seq). The reference to the class action waiver is hereby stricken from the Arbitration

provision in this Contract. The choice of law for all California residents is California. The fee provision in the Arbitration provision of this Contract shall be amended to include California Code of Civil Procedure, Title 9, Chapter 1 § 1284.3.

### COLORADO

The policy number is 81-05-W807-0902.

### CONNECTICUT

Connecticut Public Act 87-393, Laws 1987, requires an automobile vendor to provide a warranty covering certain classes of used motor **vehicles** as follows:

Used **vehicles** with a sale price of \$3000 but less than \$5000:

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

Used **vehicles** with a sale price of \$5000 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 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 Definitions, Coverages and Exclusions stated in this Service Contract apply only to this Service Contract and are not the terms of the required vendor 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/Obligor of this Service Contract. You may mail Your 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.

The following is added under the TERMS AND CONDITIONS section:

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

Under the CANCELLATION OF SERVICE CONTRACT provision number 2) a through i is amended as follows:

If this Service Contract has been in force sixty (60) days or less We may cancel 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.

After sixty (60) days We may cancel this Service Contract if:

- a. non-payment of premium.
- b. conviction of a crime arising out of acts increasing the hazard insured against.
- c. discovery of fraud or material misrepresentation by You in obtaining the policy or in perfecting

any claim there under.

d. discovery of any willful or reckless act or omission by You increasing the hazard insured against.

After sixty (60) days You may cancel this Service Contract if You return the vehicle or the vehicle is lost, stolen or destroyed.

### DISTRICT OF COLUMBIA

The following are changes under the ARBITRATION section:

Item 3. is amended to state that arbitration is nonbinding. Item 3.d. is deleted in its entirety.

### FLORIDA

**This Service Contract is between You and Wesco Insurance Company, 59 Maiden Lane, 6<sup>th</sup> Floor, New York, NY 10038, Florida Certificate of Authority No: 01913, Wesco Insurance Company has contracted with Royal Administration Services, Inc. Florida Certificate of Authority No: 60109 to handle the administrative functions of this Service Contract . All inquiries should be directed to Royal Administration Services, Inc. at (800) 871-0467.**

The following is added to the Financing and Payment Provisions:

The purchase of the Service Contract is not required in order to purchase or obtain financing for a motor vehicle.

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

If You cancel this Service Contract within sixty (60) days of the effective date of this Service Contract, You will receive a full refund less any claims paid. An administration fee of fifty dollars (\$50.00) or five percent (5%) of the gross Service Contract price paid, whichever is less will be charged. If You cancel the Service Contract after the first sixty (60) days, the amount of any refund will be ninety percent (90%) of the unearned pro rata Service Contract price.

We may cancel this Service Contract within the first sixty (60) days for any reason, after sixty (60) days the ADMINISTRATOR may only cancel for the following reasons:

- a. There has been a material misrepresentation or fraud at the time of the sale of the Service Contract.
- b. You have failed to maintain the vehicle as prescribed by the manufacturer;
- c. The odometer has been tampered with or disabled and You have failed to repair the odometer; or
- d. Nonpayment of premium by You, in which case the Administrator shall provide You notice of cancellation by certified mail.

If We cancel this Service Contract, You will receive a refund not less than one hundred percent (100%) of the paid unearned prorata Service Contract price.

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

All appropriate refund checks not involving a Lien Holder will be made payable to You.

The following language is added to the TO FILE A CLAIM provision:

A claim for repairs under the Service Contract can be initiated by the Service Contract holder or his/her selected repair facility by calling toll-free (800) 871-0467. For emergency repairs, should a breakdown occur after the Administrator's normal business hours or on a national holiday and the cost of repair(s) is \$350 or less, the pre-authorization amendment 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.

The Arbitration provision is amended to state that Arbitration is nonbinding. Paragraph f. and the last paragraph of this section are deleted in their entirety.

**NOTICE: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY INSURER, FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY OF THE THIRD DEGREE.**

The rate charged to YOU for this SERVICE CONTRACT is not subject to regulation by the Florida Office of Insurance Regulation.

### GEORGIA

THIS IS NOT A CONTRACT OF INSURANCE.

Under CANCELLATION OF SERVICE CONTRACT, Section 1. Subsections a. and 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. 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. An administrative 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 computed on a pro-rated basis and the refund will be made within fifteen (15) days of the notice of cancellation. No claims paid will be deducted from any refund due.

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 underlying 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 validation period will not exceed 30 days/1000 miles.

The following is added to the FINANCING AND PAYMENT PROVISIONS under LIENHOLDER CANCELLATION section:

The lienholder must hold a power of attorney in order to cancel the service contract for nonpayment or default of the loan.

The ARBITRATION provision is deleted in its entirety.

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

Item 4. 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 5. 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.

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

The inspection, teardown and/or diagnostic fees for covered repairs are covered under this Service Contract.

## HAWAII

DEFINITIONS - The definition of Breakdown is deleted and replaced with the following:

Breakdown - Means the failure of a covered part under normal service due to defects in material and workmanship. A covered part has failed when it can no longer perform the function for which it was designed solely because of its condition and not because of the action or inaction of any non-covered parts. Hawaii Revised Statutes requires an automobile vendor 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 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 not more 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 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 Definitions, Coverages and Exclusions stated in this Service Contract apply only to this Service Contract and are not the terms of the required vendor warranty.

The BENEFITS section is deleted in its entirety.

We may require the use of rebuilt, remanufactured, or parts of like kind and quality to fulfill Our repair requirements under this Service Contract. Obligations of the Administrator under this vehicle Service Contract are insured under a service contract contractual liability insurance policy.

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

Item 1.) under section 3) a. is deleted and replaced with the following:

- a. If You return this Service Contract within thirty (30) days of the date the Service Contract was mailed to You and if no claim has been made, the Service Contract shall be void and You shall receive the full purchase price of the Service Contract. A cancellation fee will not be charged. A ten percent (10%) penalty per month shall be added to the refund that is not paid or credited within forty-five (45) days after the return of the Service Contract to US.

The following is added to this section:

If We cancel the Service Contract for any reason other than nonpayment of the Service Contract charge, material misrepresentation by You, or a substantial breach of duties by You, Administrator shall mail a written notice to You at Your last know address at least five (5) days prior to cancellation by the Administrator. Such notice shall state the effective date of the cancellation and the reason for the cancellation. A ten percent (10%) penalty per month shall be added to a refund that is not paid or credited within forty-five (45) days after the return of the Service Contract to the Administrator.

## IDAHO

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

## ILLINOIS

Under WHAT IS NOT COVERED, paragraph 3. is amended to read:

3. For any repair or replacement of any covered part if a Breakdown has not occurred. A gradual reduction in operating performance due to wear and tear does not constitute a Breakdown.

Under CANCELLATION OF SERVICE CONTRACT - is deleted and replaced with the following:

All requests for cancellation shall be made to the Administrator. Upon request for cancellation, submit to the Administrator the following:

- 1.) a written request for cancellation that includes Your signature, 2.) a statement of vehicle mileage at the time of cancellation, 3.) proof of contract purchase. Upon receipt of the required information, we will:
  - a.) Calculate and determine the pro-rata refund percentage figure based on the time or mileage, whichever refund is less. 1.) If a request is made within thirty (30) days of purchase, a full refund will be allowed. 2.) If a request is made after thirty (30) days of purchase, a pro-rata refund percentage figure will be provided. b.) All cancellations are subject to a fifty dollar (\$50.00) processing fee or 10% of the Service Contract charge, whichever is less.

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

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.

#### **INDIANA**

Your proof of payment to the issuing vendor 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**

If You have any questions regarding this Service Contract, You may contact the Administrator by mail or by phone. Refer to the application for the Administrator's address and toll free telephone number. Iowa residents only may also contact the Iowa Insurance Commissioner at the following address: Iowa Insurance Department, 6th Floor, Lucas State Office Building, Des Moines, Iowa 50319. Any motor vehicle weighing 16,000 pounds or more is not covered under Iowa Code 3211.

Under CANCELLATION OF SERVICE CONTRACT Section, Item 3) a-d is deleted and replaced with the following:

3) proof of warranty purchase. Upon receipt of the required information, the amount of any refund for which You may qualify, and that We may pay You or the Dealer, or lienholder or creditor will be determined by US. It will be the lesser amount yielded by the following two computation methods, less a fifty (\$50) administrative fee. The first method is the pro rata method based upon the number of months of the Service Contract term, expired at the time of cancellation. The second method is the pro rata method based upon the number of miles of the Service Contract term in thousands of miles or portion thereof, expired at the time of cancellation. You will receive a full refund if You cancel the Service Contract within thirty (30) days of the Service Contract Sale Date of this Service Contract and have not incurred a claim. If You cancel this Service Contract we will mail You written notice of termination within fifteen (15) days of the termination. A ten percent (10%) penalty will be added to any refund that is not paid or credited within thirty (30) days after the return of this Service Contract to Us.

#### **KANSAS**

WHAT IS COVERED - Lost Key/lockout and tire benefits are not available.

#### **KENTUCKY**

Under WHAT IS COVERED items 4, 13, 14, and 24 are only available if the benefit is directly related to loss resulting from defects in material or workmanship.

#### **LOUISIANA**

Under BENEFITS:

Substitute Transportation is only available in Louisiana if it is directly related to a covered mechanical breakdown.

24 Hour Roadside Assistance is deleted in its entirety. This benefit is not available in Louisiana.

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

Under the first paragraph of this section the following is added:

You may cancel this contract at any time.

Item 3. Subsection a. is amended to read as follows:

a. Cancellations are pro-rated based upon term or mileage, whichever is greater.

#### **MAINE**

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

#### **MARYLAND**

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

1.) If a request is made within twenty (20) days, and if no claims have been paid, a full refund will be allowed and no cancellation fee will apply. WE shall pay or credit Your account within forty-five (45) days after the cancellation or WE will pay to You an amount equal to ten percent (10%) of the value of the consideration paid for this Service Contract for each month that the refund is not paid or credited.

#### **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.

In Massachusetts **We, Us, Our** and **Provider/Obligor** means Royal Administration Services, Inc., 51 Mill Street, Hanover, MA 02339. Toll-free assistance is available at 1-800-871-0467.

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 first paragraph under TO FILE A CLAIM is deleted and replaced with the following:

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, if possible. The ARBITRATION provision is amended to state that arbitration is nonbinding.

#### MINNESOTA

The coverages listed below are provided to You by the vendor at no charge as required by Minnesota Statute 325F.662. The term of the required warranty is based on the mileage at the time of sale as follows:

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

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

Used vehicle with 36,000 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.

**Engine:** Lubricated Parts; Intake Manifolds; Engine Block; Cylinder Heads; Rotary Engine Housings; Ring Gear; Water Pump; Externally Mounted Mechanical Fuel Pump; Radiator; Alternator; Generator; and Starter.

**Transmission:** Case; Internal Parts; Torque Converter; or the Manual Transmission Case and Internal Parts.

**Drive Axle:** Axle Housings and Internal Parts; Axle Shafts; Drive and Output Shafts; and Universal Joints; but excluding the Secondary Drive Axle on vehicles other than passenger vans, mounted on a truck chassis.

**Brakes:** Master Cylinder; Vacuum Assist Booster; Wheel Cylinders; Hydraulic Lines and Fittings; and Disc Brake Calipers.

**Steering:** Gear Housing and All Internal Parts; Power Steering Pump; Valve Body; Piston; and Rack.

**Note:** The following parts are covered only on vehicles with less than 36,000 miles: Steering Rack; Radiator; Alternator; Generator; and Starter. The above coverages are excluded from this Service Contract during the applicable warranty period, unless the vendor becomes unable to meet its obligations. Your rights and obligations are fully explained in the vendor issued Used vehicle Limited Warranty document required by the Minnesota Statute.

GENERAL PROVISIONS - Section 3. CANCELLATION OF YOUR SERVICE CONTRACT, Subsection a. 1.) is amended by adding the following:

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 in this Service Contract.

Under LABOR section, paragraph 2., is amended by adding the following:

If a manufacturer's recommended service schedule is not contained in the vehicle You are purchasing, the Administrator can provide You with one.

Under WHAT IS NOT COVERED section, number 4., is deleted and replaced with the following:

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. Repair or replacement of any covered part if a breakdown has not occurred.

Under the WHAT IS NOT COVERED section, number 5., is deleted and replaced with the following:

Any alterations which were 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.

Item 7 under WHAT IS NOT COVERED is deleted in its entirety.

Item 8 under WHAT IS NOT COVERED is deleted and replaced with the following:

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

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

Item b. of the ARBITRATION provision is deleted and replaced with the following:

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.

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

Under WHAT IS NOT COVERED, Item 2. is amended by deleting rust or corrosion.

The Validation Period is deleted from the Declaration Page. In Minnesota, the Validation Period does not apply.

#### MISSISSIPPI

Under TO FILE A CLAIM - Section 2, is modified as follows:

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 ARBITRATION provision is deleted in its entirety.

#### MISSOURI

The following is added to the Declaration Page:

The Provider/Obligor's obligations under this Service Contract are guaranteed under a service contract reimbursement insurance policy. If You do not receive a satisfactory response from Us within sixty (60) days, You should contact Wesco Insurance Company by writing to: Wesco Insurance Company, 59 Maiden Lane, 6<sup>th</sup> Floor, New York, NY 10038. The toll-free number is (866) 505-4048.

The Provider/Obligor is AMT Warranty Corp.

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

The following is added to item 3) a) 1.):

No cancellation fee will apply.

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

All other cancellations are subject to a fifty dollar (\$50.00) processing fee. If You cancel this Service Contract, written notice of cancellation will be mailed to You within fifteen (15) days of the date of cancellation.

Item e) is added to this section:

A ten percent (10%) penalty per month shall be added to a refund that is not paid within thirty (30) days of return of the service contract.

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 Your residence or place of business unless You have 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 first paragraph under 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.

#### **MONTANA**

The following is added to the CANCELLATION OF SERVICE CONTRACT 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.

#### **NEVADA**

The following is added to the Service Contract:

**THIS CONTRACT IS NOT RENEWABLE.**

The following is added to the CANCELLATION OF SERVICE CONTRACT:

If You are unable to obtain a refund from the Vendor, You may contact Us for the refund. A ten percent (10%) penalty per month shall be added to a refund that is not paid or credited within forty-five (45) days after the return of the Service Contract.

Under CANCELLATION OF SERVICE CONTRACT Section 1). First sentence in paragraph 4 is replaced as follows:

We must receive the request for cancellation within forty-five (45) days of the requested effective date of the cancellation, (except in case of repossession, stolen, or totaled vehicles).

Under CANCELLATION OF SERVICE CONTRACT Section 2). is replaced as follows:

We may cancel this Service Contract within the first 70 days for any reason. After this Service Contract has been in effect for 70 days, We may only cancel for one or more of the following reasons:

1. Failure by You to pay an amount when due;
2. Conviction for You for a crime that results in an increase in the service required under this Service Contract;
3. Discovery of fraud or material misrepresentation by You in obtaining this Service Contract, or in presenting a claim for service hereunder;
4. Discovery of an act or omission by You or a violation by You of any condition of the Service Contract, which occurred after the effective date of the Service Contract and which substantially and materially increases the service required under this Plan;
5. A material change in the nature or extent of 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 the last known address before the 15th day preceding the effective date of cancellation. A cancellation fee will not be charged if We cancel this Service Contract.

Paid claims will not be considered in calculating any return premium owed.

Under TO FILE A CLAIM Section 2, is modified as follows:

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 are changes under CANCELLATION OF SERVICE CONTRACT:

Item d) is deleted and replaced with the following:

All cancellations after thirty (30) days are subject to a \$50.00 cancellation fee.

The following is added to this section:

If this Service Contract has been in effect for less than seventy (70) days, WE may cancel for any reason. After this Service Contract has been in effect seventy (70) days or more, WE may only cancel for one or more of the following reasons:

- a. Your failure to pay an amount when due;
- b. Your conviction of a crime that results in an increase in the service required under this Service Contract;
- c. Discovery of fraud or material misrepresentation by You in obtaining this Service Contract or in presenting a claim for service hereunder; or
- d. Discovery of either of the following if it occurred after the effective date of this Service Contract and substantially and materially increased the service required under the Service Contract;
  - i. An act or omission by You;
  - ii. A violation by You of any condition of this Service Contract.

Notice of cancellation will be mailed to You fifteen (15) days prior to the effective date of cancellation. The notice of cancellation will state one of the above mentioned basis of cancellation and will include any reimbursement required. A 10% penalty per month will be added to any refund that is not paid or credited to You within sixty (60) days after the return of this Service Contract.

#### **NEW YORK**

Section 198b of New York General Business Law requires an automobile vendor 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 90 days or 4,000 miles, whichever occurs first.

Used vehicle with 36,000 miles or more but less than 80,000 miles 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 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 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 Definitions, Coverages, and Exclusions stated in this Service Contract apply only to this Service Contract and are not the terms of the required vendor warranty.

The last paragraph under TERMS AND CONDITIONS is revised to read as follows:

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 the Administrator.

The following is added under the CANCELLATION OF SERVICE CONTRACT section:

A processing fee will not be charged for cancellations within thirty (30) days of purchase. If this Service Contract is canceled within the first sixty (60) 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 a refund.

#### **NORTH CAROLINA**

Under CANCELLATION OF SERVICE CONTRACT- Section 3. Subsection a. 1) is deleted and replaced with the following:

a. 1) 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 charge paid. 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, less an administrative fee of fifty dollars (\$50.00) or 10% of the pro-rata refund amount, whichever is less. In the event of cancellation, the lienholder, if any, will be named on a cancellation check as their interests may appear.

#### **OKLAHOMA**

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

Disclosure Statement: This Service Contract is not issued by the manufacturer or wholesale company marketing the product. This Service Contract will not be honored by such manufacturer or wholesale company. The CANCELLATION OF SERVICE CONTRACT section is deleted in its entirety and replaced with the following:

All requests for cancellation shall be made to the selling vendor. Upon request for cancellation, submit to the selling vendor the following:

- 1) a written request for cancellation that includes Your signature,
- 2) a statement of vehicle mileage at the time of cancellation,
- 3) proof of Service Contract purchase. Upon receipt of the required information, the vendor will:

a) If this Service Contract is canceled within the first thirty (30) days, and no claim has been authorized or paid, We will refund the entire Service Contract price paid. If this Service Contract is canceled after the first thirty (30) days, or have made a claim within the first thirty (30) days, a pro rata refund, less an administration fee of ten percent (10%) of the unearned pro rata contract purchase price or fifty dollars (\$50.00), whichever is less will be made 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. If We cancel this Service Contract, 100% of the contract purchase price will be refunded.

Under the Financing And Payment Provisions, the Installment Payment Provision paragraph 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 Service 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 CANCELLATION OF YOUR 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 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 for the modified terms of Your Service Contract.

#### **OREGON**

The ARBITRATION section is amended as follows: Arbitration is voluntary and 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 vendor to provide a warranty covering certain classes of used motor vehicles as follows:

Used vehicles with 36,000 miles at the time of sale:

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

Used vehicle with more than 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 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 Definitions, Coverages, and Exclusions stated in this Service Contract apply only to this Service Contract and are not the terms of the required vendor warranty.

#### **SOUTH CAROLINA**

Under CANCELLATION OF SERVICE CONTRACT- Section 3. Subsection a. 1) is deleted and replaced with the following:

a. 1) 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 charge paid. 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. In the event of cancellation, the lienholder, if any, will be named on a cancellation check as their interest may appear.

Under the CANCELLATION OF SERVICE CONTRACT section, paragraph d.) is deleted in its entirety and replaced with the following:

d.) If We cancel the Service Contract for any reason other than nonpayment of the Service Contract charge, material misrepresentation by You, or a substantial breach of duties by You, Administrator shall mail a written notice to You at Your last known address at least fifteen (15) days prior to cancellation by the Administrator. Such notice shall state the effective date of the cancellation and the reason for the cancellation.

#### **TEXAS**

Under the CANCELLATION OF SERVICE CONTRACT Section, Item 2 and 3 are deleted in their entirety and replaced with the following:

2. You may cancel this Service Contract at any time by forwarding Your written request directly to Us. An odometer statement indicating the odometer reading at the date of the request for cancellation will be required. If this Service Contract is canceled by You within the first sixty (60) days and no claims have been filed, We will refund the entire Service Contract purchase price. A ten percent (10%) penalty per month shall be added to a refund that is not paid or credited within forty-five (45) days after return of this Service Contract to Us. If this Service Contract is canceled after the first sixty (60) 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 cancellation fee of fifty dollars (\$50).

3. WE may cancel this Service Contract based on one or more of the following reasons:

(A) non-payment of the Service Contract purchase price; (B) a material misrepresentation made by You; or (C) a substantial breach of duties by You under the Service Contract relating to the vehicle or its use. If this Service Contract is canceled by Us, 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 either the number of days the Service Contract was in force or the number of miles the vehicle was driven prior to cancellation, less a cancellation fee of seventy five dollars (\$75).

If We cancel the 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, or a substantial breach of duties by You relating to the vehicle or its use. The notice will state the effective date of cancellation and the reason for cancellation. You may apply for reimbursement directly to Wesco

Insurance Company if refund or credit is not paid before the 46th day after the date on which this Service Contract is returned to the Administrator under Section 1304.158.

## 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.

The first paragraph under the ARBITRATION provision 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 NATIONAL ARBITRATION FORUM (“NAF”), 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 JUDGMENT IN ANY COURT OF PROPER JURISDICTION.

Item a., under the ARBITRATION provision 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.

Item d., under the ARBITRATION provision is deleted in its entirety.

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 Service 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 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.

The following is added to Reimbursement Option under To File A Claim:

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.

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

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. The following is added under the TERMS AND CONDITIONS section: Wesco Insurance Company’s phone number is (866) 505-4048.

The last paragraph under the ARBITRATION section is deleted and replaced with the following:

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.

## VERMONT

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

Under TO FILE A CLAIM - Section 2, is modified as follows:

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 AMT Warranty Corp., 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 Declaration 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 Declaration Page.

**Service Contract Purchaser/Holder:** means the purchaser of this Service Contract as named on the Declaration Page.

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

**We, Us, Our or Provider/Obligor:** 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 is deleted and replaced with the following:

You are entitled to make a direct claim against the insurance company. This Service Contract is guaranteed by policy number 55-WA-VW601-0906 issued by Wesco Insurance Company, 59 Maiden Lane, 6<sup>th</sup> Floor, New York, NY 10038. 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 3. under this section:

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

The CANCELLATION OF SERVICE CONTRACT 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/Obligor to complete and sign the cancellation forms, or e. Mail written notice to the Vendor, Administrator, or Provider/Obligor if You desire to cancel the Service Contract.

e. You may also contact the insurance company directly for cancellation. 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 date. 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 Service 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 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 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 following language is deleted from the Arbitration provision:

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.

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.

## 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 – 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:

Under Item 2, SUBROGATION, the following is added:

We shall not be entitled to any subrogation proceeds unless and until You have been fully reimbursed for Your loss.

Items 3 and 3d are amended by adding the following:

Arbitration is not mandatory and both parties must agree to the arbitration process.

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

The first paragraph of this section is deleted and replaced with the following:

All requests for cancellation shall be made to the selling vendor or Administrator. Upon request for cancellation, submit the following:

Items 3) a-c are deleted in their entirety and replaced with the following:

3) proof of warranty purchase. Upon receipt of the required information:

a. Cancellations are pro-rated based upon term or mileage, whichever is greater.

1) If a request is made within thirty (30) days of purchase, a full refund will be allowed.

2) If a request is made after thirty (30) days of purchase, a pro rata refund percentage figure will be provided.

b. The Administrator agrees to pay the pro rata unearned refund.

c. All cancellations are subject to a fifty dollar (\$50.00) processing fee.

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 is added to the WHAT IS NOT COVERED Section:

This Service Contract does not cover consequential damages.

Under CANCELLATION OF SERVICE CONTRACT, Subsection 2. last paragraph is replaced as follows:

If We cancel the Service Contract, We shall mail a written notice of cancellation to You at the last known address before the tenth (10th) 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, or a substantial breach of duties by You relating to the vehicle or its use. The notice will state the effective date of cancellation and the reason for cancellation.

A ten percent (10%) penalty per month shall be added to a refund that is not paid or credited within forty-five (45) days after the return of the Service Contract. The ARBITRATION provision is amended to state that arbitration proceedings will be conducted in accordance with the Wyoming Arbitration Act and Item d. of the ARBITRATION provision is deleted in its entirety.

The last three paragraphs under the CANCELLATION/TRANSFER section are deleted and replaced with the following:

- If a lending institution has financed the purchase of this Agreement and the Agreement 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 unrecovered theft, the refund check will be made payable to the Lien Holder and You jointly.

Backed by:  
Wesco Insurance Company  
59 Maiden Lane, 6th Floor  
New York, New York 10038  
1-866-505-4048

For inquiries, please contact:



**ROYAL**

Royal Administration Services, Inc.  
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Hanover, MA 02339  
PH 800.871.0467  
FAX 781.261.2522  
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