

COVERAGE: (Includes those Items listed in Components 1 through 7) We will reimburse the Cost of any mechanical failure of the specific components listed below subject to the **Deductible** listed on the Information Page. Seals and Gaskets are only covered in conjunction with a covered repair.

1. ENGINE: All internally lubricated parts including: crankshaft and bearings, oil pump, pistons, piston rings, connection rods and rod bearings, timing gears, timing chain, timing belt, camshaft and camshaft bearings, push rods, rocker arms, rocker arm shaft and hydraulic lifters, intake and exhaust valves, valve springs, harmonic balancer, water pump. Engine blocks and cylinder heads are also covered if **Breakdown** was caused by an internally lubricated part.

TURBOCHARGED/SUPERCHARGED/DIESEL ENGINES (This coverage must be purchased if so equipped): All internally lubricated parts, turbocharger and injection pump.

2. AUTOMATIC/STANDARD TRANSMISSION: All internally lubricated parts within the gear case, torque converter, housing if **Breakdown** was caused by the failure of an internally lubricated part. Seals and Gaskets are only covered in conjunction with a covered repair. (Clutch plate, pressure plate, Flywheel, Cables, Electrical Components, release and pilot bearings are NOT included).

3. DRIVE AXLE ASSEMBLY (2 Wheel Drive): All internally lubricated parts. Universal and CV joints (**except if boot was damaged or missing**). Drive axle housing is also covered if damage is caused by **Breakdown** of an internally lubricated part. **4 WHEEL DRIVE/ALL WHEEL DRIVE:** Coverage will apply only when selected on the Information Schedule.

Drive Axle Assembly (4 Wheel and All Wheel Drive): All internally lubricated parts, CV joints (**except if boot was damaged or missing**). Housing and transfer case if damaged by an internally lubricated part.

4. AIR CONDITIONING: Compressor, Condenser, Evaporator, Expansion Valve and Blower Motor. The following Components are also covered if required in connection with the repair of a listed Covered Component: accumulator/receiver dryer and orifice tube.

5. ELECTRICAL: Alternator, voltage regulator, starter motor, starter solenoid, ignition switch, front and rear window wiper motors and switches, washer pump and switch, headlamp switch, turn signal switch, rear defogger switch, heater/A.C. blower speed switch, power window motors and switches, power door lock actuator and switches.

6. FUEL: Fuel delivery pump, fuel injection pump.

7. COOLING: Water pump, engine cooling fan motor, fan and fan clutch.

OPTIONAL COVERAGE:

SEALS AND GASKETS: When indicated on the Information Page and a surcharge has been paid, the Administrator will cover the following named components: timing chain cover gasket, oil pan gasket, cylinder head gasket(s), intake manifold gasket and valve cover gasket(s), except when the cause of failure is the result of overheating, lack of lubrication or lack of required fluids. **Vehicles with more than 125,001 miles or more on the odometer and older than 10 model years at the time of Agreement issuance are not eligible for Seals and Gaskets Coverage.**

ADDITIONAL BENEFITS:

- **Towing Assistance:** If towing assistance becomes necessary due to the **Breakdown** of a covered component, towing Costs not payable by insurance will be covered for up to \$50.00 per occurrence.
- **Rental Assistance:** In the event of a **Breakdown** of a covered part, **You** will be reimbursed for actual expenses incurred for substitute transportation up to \$35.00 per day, for five (5) days, not to exceed \$175.00 per occurrence. After the first day of rental, each additional day requires the covered repairs exceed 4.0 labor hours per additional day as defined in the current year's manufacturers or nationally recognized labor time standards manual. For parts delay or component failure inspection, a per day allowance may be made at the discretion of the **Administrator**. Reimbursement for substitute transportation shall not continue beyond the day on which covered repairs are completed. A substitute **Vehicle** must be rented from a nationally recognized rental agency and receipts are required for reimbursement. To receive reimbursement, **You** must present a rental agreement signed by **You**, including proof of payment receipt, from the nationally recognized rental agency within sixty (60) days of the completion of the covered repairs.
- **Agreement Transferability:** In the event that **You** sell the covered **Vehicle** to another private party, **You** may apply for transfer of coverages to the new owner. See the section titled Terms and Conditions for necessary procedures.
- **Emergency Reimbursement:** In the event that you file a claim against **Your** collision/comprehensive insurance policy for collision or emergency repairs to the covered **Vehicle**, **We** will reimburse **You** up to \$250 towards **Your** out of pocket deductible obligation. This benefit is limited to one occurrence during the term of this **Agreement**. Coverage is only available for new claims occurring after the expiration of the 30 day/1,000 mile waiting period.

In order to make a claim you must provide the following documents: 1) A written statement detailing the incident and a copy of the police report if you received one; 2) A copy of your proof of insurance-declaration page; 3) A copy of the

covered **Vehicle's** current registration; and 4) A copy of the repair bill for services paid by **Your** insurance company and signed by **You**. 5) Proof of **your** payment for **your** out of pocket deductible.

The **Administrator** reserves the right to request other documents to verify **Your** claim. All documents must be received within 60 days of the original date of loss. No deductible applies to this benefit.

WHAT TO DO IF REPAIRS ARE NEEDED

If **Your Vehicle** is unsafe to drive and needs to be towed, contact a tow company or vehicle repairer and obtain needed services. Deliver **Your Vehicle** to a repair facility and authorize them to diagnose the failure. Provide the repairer with **Your Agreement** number and direct them to call **American Guardian Warranty Services for Repair Authorization at 1-800-579-2233**.

Emergency Repair - If a Covered Part has a Covered **Breakdown** at any time outside of Claims Department regular business hours, **You** may take one of the following steps:

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

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

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

No Payment for a Claim will be made without Authorization.

TERMS AND CONDITIONS

This **Agreement** is subject to the following terms and conditions. **No alterations, changes or waivers of provisions may be made to this Agreement.** The benefits available under this **Agreement** are strictly provided to **You** for repairs to the **Covered Vehicle**. **Important:** State Guidelines and Regulations where **Agreement** was sold take precedent over these Terms and Conditions.

Definitions:

Administrator-means **American Guardian Warranty Services, Inc. (AGWS), P.O. Box 3538, Glen Ellyn, IL 60138 (800) 579-2233** except in the State of Florida where **Administrator** means **American Guardian Warranty Services of Florida, Inc., P.O. Box 3538, Glen Ellyn, IL 60138 (FL License #60116)**.

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

Breakdown or Mechanical Failure-means the failure of an original or replacement part, covered by this **Agreement**, to perform its function as it was originally designed to work in normal service with required maintenance due to material failure or defects in workmanship and outside the manufacturer's tolerance. It does not mean the gradual reduction in operating performance due to normal wear and use.

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

Deductible-means the amount that **You** must pay for covered repairs per component as indicated in SECTION 5 – AGREEMENT INFORMATION on the Information Page of this **Agreement**. A per component deductible applies to each numbered Component section listed below the Section titled Extra Coverage for each repair visit.

Selling Dealer-means the retail seller of this **Agreement** to **You** for the covered **Vehicle** described in SECTION 1 – VEHICLE INFORMATION.

Vehicle or Covered Vehicle-means the **Vehicle** described under SECTION 1 – VEHICLE INFORMATION.

We, Us or Our-means **American Guardian Warranty Services, Inc. P.O. Box 3538, Glen Ellyn, IL 60138 (800) 579-2233** except in the State of Florida where **We, Us, or Our** means **American Guardian Warranty Services of Florida, Inc., P.O. Box 3538, Glen Ellyn, IL 60138 (800) 579-2233 (FL License #60116)** the **Administrator** who is identified as the **Agreement Obligor on the Information Page of this Agreement**.

You and Your-means the purchaser identified under SECTION 2 – CUSTOMER INFORMATION on the Information Page of this **Agreement**.

Insurance Statement:

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

Your Responsibilities:

1. You must perform the manufacturer's recommended maintenance including keeping receipts for services from the date of purchase. The required receipts include Date, Mileage, Service Performed and Service Provider. These records will be requested by the Administrator for the investigation of a claim. 2. Use all reasonable means to protect Your Vehicle from further damage when a Breakdown occurs. 3. You must authorize necessary labor time for the repairer to diagnose a Breakdown. 4. Direct the repair facility to Call American Guardian at 1-800-579-2233 to report a claim. You must obtain Repair Authorization from American Guardian Warranty Services prior to repairing any covered component. 5. To receive reimbursement for Your authorized claim You must submit the following within sixty (60) days of approval: A) the original Repair Order signed by You B) Proof of Payment with a Cash Register Receipt/Credit Card Receipt/Personal Check Copy C) Where applicable, copies of original Towing or Rental Bill with proof of payment.

Repair Inspections: We reserve the right to inspect Your Vehicle to evaluate covered repairs.

Exclusions-What Is Not Covered:

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

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

hazardous waste charges, repairs to retrofit or replace components due to compliance with any law or legislation.

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

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

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

Limit of Liability:

The Administrator's limit of liability is determined by the following schedule per component assembly for the term of the Agreement:

Engine	\$3,000.00
Transmission	\$2,500.00
Drive Axle-Front/Rear/Transfer Case	\$1,500.00 each
Air Conditioning	\$1,000.00
Electrical	\$1,000.00
Engine Cooling & Fuel	\$700.00 each
Optional Coverage: Seals & Gaskets	\$1,000.00

Aggregate Limit of Liability: The total of all benefits paid or payable while this Agreement is in force shall not exceed \$10,000.00.

Subrogation:

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

Arbitration:

You agree that any claim, dispute or controversy relating to this agreement or the relationships which result from this agreement, no matter against whom made, including the applicability of this arbitration clause and the validity of the entire agreement, shall be resolved by neutral binding arbitration by the American Arbitration Association, under the Arbitration Rules in effect at the time the claim is filed. Any arbitration hearing at which you appear will take place at a location near your residence. Rules and forms of the American Arbitration Association may be obtained and all claims shall be filed at any office of the American Arbitration Association or at Corporate Headquarters, 1101 Laurel Oak Road, Suite 100, Voorhees, NJ 08043. Telephone: (877) 495-4185; Website: www.adr.org. This arbitration agreement is made pursuant to a transaction involving interstate commerce, and shall be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1-16. Judgment upon the award may be entered in any court having jurisdiction. THE PARTIES UNDERSTAND THAT THEY WOULD HAVE HAD A RIGHT OR OPPORTUNITY TO LITIGATE THROUGH A COURT AND TO HAVE A JUDGE OR JURY DECIDE THEIR CASE, BUT THEY CHOOSE TO HAVE ANY DISPUTES DECIDED THROUGH ARBITRATION.

Agreement Period:

The time and mileage limit of the Term Selected start on the Sale Date and Current Mileage in Section 1 on the Information Page plus 30 days and 1,000 miles is the starting time and starting mileage. This Agreement shall terminate when the length of time plus 30 days or, when total accumulated mileage exceeds the sum of the mileage at purchase plus 1,000 miles plus the mileage shown in Term Selected as described in SECTION 5 – AGREEMENT INFORMATION on the Information Page, whichever occurs first.

Cancellation:

In the event the Covered Vehicle is repossessed, declared a total loss, or, You give notice of cancellation, the Agreement shall terminate. Submit written notification immediately to the Selling Dealer including the following: 1) the Agreement number; 2) Vehicle Identification Number; and 3) Vehicle Mileage. If this Agreement is canceled within thirty (30) days of the sale date and no claim has been made, We will refund the full amount of the Cost of the Agreement. If the Agreement is canceled after the first thirty (30) days or a claim has been filed, the refund will be made on an amount of the Agreement charge according to the pro-rata method reflecting the greater days in force or the miles

driven based on the term of the plan selected and the date coverage begins. The refund is subject to a \$50.00 dollar administrative fee, where permitted by state law. Important: State Guidelines and Regulations take precedent over these terms. Where permitted by State law, any claim incurred or paid will be deducted from the amount of the cancellation refund. If this **Agreement** is canceled due to non-payment, no refund will be due. For questions regarding cancellation, call (800) 579-2233.

Cancellation of This Vehicle Service Agreement: In order to cancel, **You** must mail the **Agreement** to the **Selling Dealer** or **Administrator** along with written statement of intent to cancel and a notarized statement indicating the odometer reading on the date of the request. The customer shall provide a certified odometer statement showing the mileage at cancellation. The certified statement can be obtained from a service facility, DMV, or dealership. If the certified odometer reading is not available, cancellation will be based on 1,250 miles per month. **We** may cancel the **Agreement** if it was obtained through material misrepresentation, fraud, or for non-payment of the **Agreement** price.

Transfer of Agreement:

In the event that **You** sell the covered **Vehicle**, this **Agreement** shall terminate. **You** may apply for a transfer to the new owner. Where applicable, the manufacturer's warranty including extended powertrain warranty must transfer to the new owner to obtain coverage under the Transfer provisions of this **Agreement**. Within thirty (30) days from the date of sale to a private party and not a dealer or entity in the business of selling, trading or leasing **Vehicles**, submit the following: 1) A check for a \$100.00 Transfer Fee payable to American Guardian Warranty Services, Inc. 2) A copy of the Information Page of this **Agreement** 3) A signed affidavit stating the date of sale, the mileage at sale and the new owners name, address and telephone number 4) Copies of **Your** maintenance documents for the covered **Vehicle**. Proof of continuation of regular maintenance will be necessary in the event of a claim. The **Administrator** reserves the right to reject a transfer request in the event that the above requirements are not met. This **Agreement** may not be assigned separately from the covered **Vehicle**, nor can it be assigned to a New or Used Car Dealership or anyone other than an individual person that purchased **Your Vehicle**. This **Agreement** may only be transferred once.

Payment Plan Agreements:

If this **Agreement** is purchased on a payment plan, failure to make timely payments will result in cancellation with no refund due unless State Law mandates otherwise. Should a claim arise before this **Agreement** is paid in full, the balance owed will be deducted from the claim payment unless State Law mandates otherwise.

NOTICE TO CONSUMERS:

- **Purchase of this Agreement is not required to purchase or finance a vehicle. The benefits provided may duplicate express manufacturer or seller's warranties that come automatically with every sale. You may be required by the Seller of this coverage to pursue those warranties, which are available to You without this Agreement.**
- **This Agreement is not an Insurance Contract.**
- **The terms of this written Agreement control the Agreement between us. No change or modification to the written terms is valid.**
- **This Agreement is based on information You provided on the Information Page. Misrepresentation on the Information Page will result in rejection of this Agreement.**
- **Payment Plan: Where permitted by State Law, the settlement of any claim may first be applied to reduce any unpaid, outstanding balance on an Vehicle Service Agreement that has been purchased on a payment plan.**