



# The Penn Warranty Corporation

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NC-1

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## STANDARD CONTRACT - FULLY INSURED - UNLIMITED MILEAGE

VEHICLE SALE DATE _____	VIN _____
VEHICLE YEAR _____	MILEAGE _____
VEHICLE MAKE _____	VEHICLE PRICE _____
VEHICLE MODEL _____	CONTRACT PRICE _____
OWNER NAME _____	ADDRESS _____
PRIMARY PHONE _____	CITY _____
SECONDARY PHONE _____	STATE _____ ZIP _____
DEALER NAME _____	LIEN HOLDER _____
PRIMARY PHONE _____	PRIMARY PHONE _____
SECONDARY PHONE _____	ADDRESS _____
SALESPERSON NAME _____	CITY _____ STATE _____ ZIP _____
<b>I have read and fully understood the terms of this contract.</b>	
CUSTOMER SIGNATURE: <b>X</b> _____ DATE ____/____/____	

- 3 MONTHS    
  6 MONTHS    
  12 MONTHS    
  24 MONTHS    
  36 MONTHS    
  48 MONTHS

### MECHANICAL REPAIR SERVICE CONTRACT

This agreement describes the coverage **You** will have under **Your** Mechanical Repair Service Contract (hereafter referred to as "Service Contract"). In return for payment by **You** of the **Service Contract Price** and subject to all the terms of this Service Contract, **We** agree with **You** as follows:

#### I. WHAT THIS SERVICE CONTRACT COVERS

**Coverage** - During the Service Contract Period **We** will pay a **Repair Facility**, or at **Our** option, reimburse **You** the **Cost** to remedy any **Breakdown** of the parts listed below, less **Per Occurrence**. Parts not listed are not covered by this Service Contract.\*

**At the Administrator's option, replacement parts used in covered repairs may include new, remanufactured, used or non-original equipment manufactured parts. All parts will conform to manufacturer's specifications.**

**1. ENGINE** - Cylinder block, cylinder heads, and all internal parts including: pistons, piston pins, piston rings, connecting rods, connecting rod bearings, crankshaft and main bearings, camshaft and lifters/followers (lifters or followers which have not failed, and only require cleaning are not covered), intake and exhaust valves, push rods, rocker arm shafts, rocker arms, timing drive components including timing chains/belts (timing chain or belt which is being changed as part of the manufacturer's preventive maintenance schedule, is not covered). Valve train covers, intake and exhaust manifolds, flywheel, oil pump, and oil pan. Internal engine sensors. Cylinder head gaskets and intake manifold gaskets are covered for coolant leaks only.

**2. AUTOMATIC TRANSMISSION** - Case and all internal parts including: planetary gear systems, clutch and steel packs, clutch drums, bands, internal seals, pump, valve body, internal sensors and internal solenoids, and overrunning or one way clutch assemblies. Torque converter and the torque converter housing.

**3. STANDARD TRANSMISSION** - Case and all internal parts, including: input shaft, output shaft, idler shafts, main shaft, all internal gears, shift forks, and synchronizer assemblies. Any internal solenoids or sensors. Standard transmission clutch assemblies, linkages, and hydraulic clutch units are not covered.

**4. DIFFERENTIAL** - Front or rear differential housing and all internal parts. Drive shaft, universal joints, and front axle joints. Transfer case on four wheel drive vehicles and all internal parts.

**5. COOLING SYSTEM** - Fan and fan clutch. Electric radiator fan motor, water pump.

**6. STEERING** - Steering gear, rack and pinion assembly, and all internal parts. Power steering cooler and lines.

**7. SUSPENSION** - Front or rear springs which are broken or worn beyond manufacturer's specifications. Control arms and ball joints.

**8. BRAKES** - All brake components, including all components of the anti-lock brake system including: wheel cylinders, front or rear calipers, brake springs, pins, and hardware kits, wheel speed sensors (sensors damaged by bad wheel bearings are not covered), brake hoses, brake lines, brake combination or proportioning valves, master cylinder, ABS pump, ABS module, ABS hydraulic unit, ABS hydraulic control unit, and ABS accumulator. Brake linings, pads, rotors and drums are NOT covered.

**9. ELECTRICAL** - Alternator, voltage regulator, windshield wiper motor and starter motor, power window motors, power seat motors, and power door lock actuators.

**10. RENTAL CAR** - Twenty five dollars (\$25.00) per eight hours of authorized flat rate time to repair or replace a covered component with a maximum of two hundred and fifty dollars (\$250.00). Any delays caused by unavailability of parts, shipping of parts, repair facility scheduling, or any other delays do not qualify for rental reimbursement.

**11. TOWING** - If your vehicle must be towed because a covered component has failed, towing to the nearest qualified repair facility is covered up to a maximum of fifty dollars (\$50.00).

**12. LABOR** - Labor charges are based on industry accepted flat rate time to repair or replace a covered component up to sixty-five dollars (\$65.00) per hour.

**Only the components listed in the above systems are covered by this Service Contract. No other components, other than those listed above under "What This Service Contract Covers", are covered by this Service Contract.**

#### II. KEY TERMS - When used, Key Terms will appear in bold print.

**"Vehicle"** means the covered car or truck shown on the front of this Service Contract.

**"You"** and **"Your"** mean the customer (private individual) shown on the front of this Service Contract, or an eligible person to whom this Service Contract has been properly transferred.

**"We", "Us" and "Our"** mean the obligor of this Service Contract: Penn Warranty Corporation, Hanover Industrial Estates, 1081 Hanover Street, Wilkes-Barre, PA 18706, 1-800-356-9441; Fax: (570) 270-3365; www.pennwarrantycorp.com.

**"Administrator"** means the company that provides, administrative services for this Service Contract: Penn Warranty Corporation, Hanover Industrial Estates, 1081 Hanover Street, Wilkes-Barre, PA 18706, 1-800-356-9441; Fax: (570) 270-3365; www.pennwarrantycorp.com.

**"Breakdown"** means the failure of any original or like replacement part covered by this Service Contract to perform its intended function(s) in normal service, including worn beyond service limits, providing it has received all scheduled maintenance as recommended by the manufacturer in the Owners Manual.

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

**At the Administrator's option, replacement parts used in covered repairs may include new, remanufactured, used or non-original equipment manufactured parts. All parts will conform to manufacturer's specifications.**

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

**"Per Occurrence"** means the amount **You** must pay for covered repairs per visit. The standard **Per Occurrence** is \$100. If **Your Cost** is a **Warranty Per Occurrence** charge imposed by the manufacturer, this Service Contract will pay the manufacturer's **Per Occurrence**.

**"Months"** means the number of **Months** shown on the front of this Service Contract.

**"Service Contract Price"** means the amount **You** paid for this Service Contract shown on the front of this Service Contract.

**"Service Contract Purchase Date"** means the date **You** purchased this Service Contract.

**"Repair Facility"** means a franchised dealer or licensed **Repair Facility**. Repairs performed by any facility must receive authorization from the **Administrator** prior to beginning repairs.

**"Selling Dealer"** means the dealer from whom **You** purchased this Service Contract shown on the front of this Service Contract.

### III. WHAT THIS SERVICE CONTRACT DOES NOT COVER

MAINTENANCE AND PARTS NOT COVERED: THE MAINTENANCE SERVICES AND PARTS DESCRIBED UNDER MAINTENANCE REQUIREMENTS AS SHOWN IN THIS SERVICE CONTRACT OR IN THE MANUFACTURER'S MAINTENANCE SCHEDULE FOR YOUR VEHICLE.

IN ADDITION, WE WILL NOT PAY BENEFITS:

1. FOR COSTS COVERED BY ANY WARRANTY OF THE MANUFACTURER, STATE REQUIRED WARRANTY, DEALER WARRANTY, INSURANCE POLICY, REPAIR FACILITY'S GUARANTEE, OR ANY OTHER GUARANTEE REGARDLESS OF WHETHER THEY HONOR SUCH WARRANTY OR GUARANTEE.
2. WHEN REPAIRS ARE PERFORMED WITHOUT THE ADMINISTRATOR'S PRIOR AUTHORIZATION.
3. FOR A BREAKDOWN CAUSED BY OR INVOLVING COLLISION, FIRE, THEFT, CONDITIONS OF THE ENVIRONMENT, DAMAGE THAT RESULTS FROM SOMEONE ALTERING THE VEHICLE, MISUSING THE VEHICLE, TAMPERING WITH THE VEHICLE, MAKING IMPROPER ADJUSTMENTS, IMPROPER FUELS, IMPROPERLY MAINTAINING THE VEHICLE, FAILING TO MAINTAIN THE VEHICLE WITHIN MANUFACTURER'S RECOMMENDATIONS, DAMAGE OR FAILURE OF A COVERED COMPONENT CAUSED BY AN NON-COVERED COMPONENT, AND PREVIOUS OR IMPROPER REPAIRS.
4. FOR LOSS OF TIME, ECONOMIC LOSS, INCONVENIENCE, LODGING, FOOD, FREIGHT CHARGES, CORE CHARGES, STORAGE CHARGES, OR OTHER CONSEQUENTIAL LOSS OR DAMAGE THAT RESULTED FROM A BREAKDOWN.
5. FOR A BREAKDOWN WHEN CONTAMINATED OR POOR QUALITY FLUIDS, FUELS, LUBRICANTS OR GREASE CAUSED OR CONTRIBUTED TO THE BREAKDOWN.
6. FOR FLUID LEAKS OR DAMAGE THAT RESULTS FROM FLUID LEAKS.
7. FOR ANY BREAKDOWN CAUSED BY CONTAMINATION, OVERHEATING, LACK OF COOLANT OR LUBRICANTS.
8. FOR A BREAKDOWN CAUSED BY OR INVOLVING MODIFICATIONS UNLESS THOSE MODIFICATIONS WERE PERFORMED BY THE MANUFACTURER (E.G. OVERSIZED TIRES, LIFT KIT, AFTERMARKET PERFORMANCE PARTS OR SYSTEMS).
9. FOR A BREAKDOWN CAUSED BY ABUSE, MISUSE, ALTERATIONS OR LACK OF CUSTOMARY MAINTENANCE AS RECOMMENDED IN SERVICE CONTRACT SECTION IV A. MAINTENANCE REQUIREMENTS AND/OR IN THE MANUFACTURER'S MAINTENANCE SCHEDULE FOR YOUR VEHICLE.
10. FOR A BREAKDOWN OF A COVERED PART RESULTING FROM THE FAILURE OF A NON-COVERED PART.
11. FOR A BREAKDOWN CAUSED BY OR INVOLVING EQUIPMENT, COMPONENTS OR SYSTEMS NOT INSTALLED BY THE MANUFACTURER.
12. IF YOUR VEHICLE'S ODOMETER HAS BEEN STOPPED, ALTERED OR MISREPRESENTS YOUR VEHICLE'S ACTUAL MILEAGE, WHEREBY THIS CONTRACT WILL BE CONSIDERED VOIDED
13. SEALS AND GASKETS ARE NOT COVERED BY THIS SERVICE CONTRACT UNLESS REQUIRED IN CONJUNCTION WITH A COVERED REPAIR.
14. FOR A BREAKDOWN THAT IS A DIRECT RESULT OF A MECHANICAL OR STRUCTURAL DEFECT WHEN THE MANUFACTURER HAS ANNOUNCED A PUBLIC RECALL FOR THE PURPOSE OF CORRECTING SUCH A DEFECT.
15. FOR ADDITIONAL LOSS OR DAMAGE WHICH IS OCCASIONED BY YOU OR OPERATOR'S FAILURE TO USE ALL REASONABLE PRECAUTIONS TO PROTECT THE VEHICLE FROM ANY FURTHER LOSS OR DAMAGE AFTER A BREAKDOWN OR FAILURE HAS OCCURRED OR BEEN INDICATED.
16. FOR A MECHANICAL BREAKDOWN WHICH EXISTED PRIOR TO, OR WAS CAUSED BY A CONDITION WHICH EXISTED PRIOR TO THE SERVICE CONTRACT PURCHASE DATE.
17. IF YOUR VEHICLE HAD BEEN DECLARED A TOTAL LOSS, SALVAGED OR JUNK VEHICLE.
18. FOR EXPENSES CHARGED FOR DISPOSAL OF ENVIRONMENTALLY UNSAFE MATERIALS.
19. FOR EXPENSES CHARGED FOR NON-SPECIFIC MATERIALS OR SHOP SUPPLIES.
20. IF YOUR VEHICLE WAS MANUFACTURED AS A NON-U.S. SPECIFICATION MODEL.
21. FOR A BREAKDOWN CAUSED BY TOWING A TRAILER OR ANOTHER VEHICLE UNLESS YOUR VEHICLE IS EQUIPPED FOR THIS AS RECOMMENDED BY THE MANUFACTURER.
22. FOR A BREAKDOWN CAUSED BY USING YOUR VEHICLE FOR RACING OR OTHER COMPETITION.
23. IF YOUR VEHICLE HAS BEEN MODIFIED TO PLOW SNOW, WHETHER THE SNOW PLOW BLADE IS ATTACHED TO THE VEHICLE OR NOT.
24. FOR A BREAKDOWN CAUSED BY RUST OR WEATHER RELATED CORROSION.
25. IF YOUR VEHICLE IS USED FOR COMMERCIAL PURPOSES. EXAMPLES OF COMMERCIAL USE INCLUDE BUT ARE NOT LIMITED TO: TAXI, POLICE CAR OR OTHER EMERGENCY VEHICLE, HAULING, CONSTRUCTION (OTHER THAN DRIVING TO AND FROM WORK), PICKUP AND DELIVERY SERVICE, DAILY RENTALS, CARRY PASSENGERS FOR HIRE, SNOWPLOWING AND COMPANY POOL USE OR BUSINESS TRAVEL WHEN THE VEHICLE IS USED BY MORE THAN ONE DRIVER.
26. IF YOUR VEHICLE IS AN EXOTIC VEHICLE OR IS A TRUCK RATED MORE THAN 1 TON.
27. FOR REPAIRS MADE SOLELY TO MEET OR MAINTAIN ANY GOVERNMENTAL EMISSION STANDARDS.
28. DAMAGE CAUSED TO YOUR ENGINE, TRANSMISSION, TRANSFER CASE OR AXLE ASSEMBLY RESULTING FROM WATER INGESTION.
29. FOR REPAIRS OF WATER AND AIR LEAKS, RATTLES, SQUEAKS AND WIND NOISE.

### IV. YOUR RESPONSIBILITIES

**A. Maintenance Requirements and Service History** - In order to keep Your Service Contract valid, You must follow the maintenance procedures listed below. If Your failure to follow these procedures causes a Breakdown, You may be denied coverage.

Your Vehicle must be serviced receiving all scheduled maintenance as recommended by the Manufacturer in the Owners Manual.

You must keep receipts which verify the Vehicle Identification Number and all repair orders/maintenance records issued by the Selling Dealer/Repair Facility performing the required services on Your Vehicle. Repair order/maintenance records must include the date, a description of Your Vehicle, mileage and list in detail each of the services performed and maintenance parts replaced. We may require You to furnish the Administrator with proof that the specified services have been performed. Failure to show proof of servicing may result in denial of coverage.

**B. Filing a Claim** - If Your Vehicle incurs a Breakdown, You must take the following steps to file a claim:

1. **Prevent Further Damage** – Take immediate action to protect Your Vehicle from further damage. Your Contract will not cover the damage caused by not securing a timely repair when a Breakdown has occurred. You are responsible for observing Your Vehicle warning lights and gauges, and taking appropriate action immediately to prevent further damage. Failure to do so may result in the denial or the limitation of Coverage.
2. **Take Your Vehicle to any licensed Repair Facility.** Your Vehicle must be at a Repair Facility for a claim to be opened. If You need assistance in locating a Repair Facility, contact the Administrator at 1-800-356-9441.
3. **Provide Repair Facility with a copy of Your Contract and/or Your Contract Number.**
4. **Prior Approval** – Prior to any repair being made, have the Repair Facility to contact the Administrator with the estimate of repairs containing both parts and labor, and to obtain an authorization for the claim. The Administrator can be contacted Monday through Friday, 9:00 a.m. to 5:00 p.m. at 1-800-356-9441. Emergency repairs, done outside of working hours, may be submitted to Customer Service with a letter of explanation for payment consideration. If it is determined that a covered component has failed and the estimate for the repair is agreed upon by our adjuster, an authorization number will be issued by the Administrator. The amount authorized by the Administrator is the maximum amount that will be paid for repairs covered under the terms of this Contract. No repairs are to be made on Your Vehicle until an authorization number is issued by the Administrator. Any claim for repairs without prior authorization will not be covered.
5. **Authorize Tear-Down** - Authorize the Repair Facility to perform necessary diagnostic work and provide "teardown" authorization so that the Repair Facility can provide accurate diagnosis and estimate of repairs.
6. **Allow the Administrator to inspect Your Vehicle prior to any repairs being made.**
7. **After investigating Your Vehicle's component failure, in case of a discrepancy in findings, the Administrator reserves the right to have repairs done at a location other than the one you have selected.**
8. **Payment of Claims** - To obtain payment for a covered repair You, or the Repair Facility must submit a legible copy or original repair order to the Administrator. Repair orders must be readable and understandable, and contain the following information: Repair Facility name, address and phone number, Your name, address and phone number, repair diagnosis, parts and labor hours, authorization number, vehicle identification number, vehicle mileage, year, make and model. Authorization number issued by the Administrator must appear on all receipts submitted for reimbursement. No invoices will be processed without a valid authorization number. Once authorization is obtained, and the repair is completed, all repair orders and documentation must be submitted to the Administrator within 180 days to be eligible for payment.

### V. GENERAL PROVISIONS

**1. Service Contract Period** - The term of this Service Contract is the **Months** as shown on the Service Contract. The term begins on the **Service Contract Purchase Date** as shown on the Service Contract. The term ends when the **Months** from the **Service Contract Purchase Date** is reached.

**2. When And Where You Are Covered** - This Service Contract applies only to **Breakdowns** occurring within the contract period in the continental United States of America, Alaska, and Hawaii.

**3. If You Have Other Coverage** - If the manufacturer or **Repair Facility** agrees to cover all or some of the **Cost** of a **Breakdown** after a **Warranty** or guarantee has expired, **We** will pay only for any extra **Cost** subject to the limits of this Service Contract.

**4. Limit of Liability** - Our limit of liability is the **Cost** to repair or replace any covered **Breakdown**. Our maximum liability per repair shall not exceed two thousand dollars (\$2,000). The total of all benefits payable for the term of the Service Contract shall not exceed the original **Vehicle** purchase price as shown in the Service Contract.

**5. Subrogation** - If **We** pay for a loss, **We** may require **You** to assign to **Us** Your rights of recovery against others. **We** will not pay for a loss if **You** impair these rights to recover. Your rights to recover from others may not be waived.

**6. How This Service Contract May Be Transferred** - This used vehicle service contract is transferable to subsequent owners. The charge to transfer is one hundred dollars (\$100.00). The transferred service contract will remain in effect for the remainder of the original coverage period. Without a transfer to the new owner, this contract is terminated at the time of sale or when the contract holder no longer owns the vehicle.

**7. How This Service Contract May Be Canceled - Including Refunds And Charges**  
**Cancellation By You** - You may cancel this Service Contract at any time. To cancel, You must submit a written request and return the Service Contract to the Administrator. If You cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date**, a 100% refund of the **Service Contract Price** will be made, less any claims paid. All refunds will be paid to the Lienholder, if any, otherwise to You.

**Cancellation By Us** - We may cancel this Service Contract for any reason within ninety (90) days of the **Service Contract Purchase Date** or any time with just cause (unless otherwise as indicated by Your state, within the State Amendment section), including:  
 • If there has been a material misrepresentation or fraud; • If **You** have failed to maintain **Your Vehicle** as prescribed by the manufacturer. • If **Your Vehicle's** odometer is inoperative, inaccurate, or has been altered and **You** have failed to repair the odometer; • If **You** do not pay the **Service Contract Price**. • If **You** use **Your Vehicle** in any manner not covered by this Service Contract; or • If **Your Vehicle** has a salvage title.

If **We** cancel this Service Contract, **We** will mail **You** written notice prior to cancellation. A pro-rata refund of the unused **Months** will be made. The pro-rata refund will be calculated by multiplying the **Service Contract Price** by the percentage of the unused **Months** compared to the total **Months** of **Your** Service Contract Period. All refunds will be paid to the Lienholder if any, otherwise to **You**.

**Cancellation By Lienholder** - If this Service Contract is financed, the Lienholder (shown on the front of the Service Contract) may cancel the Service Contract in the event **You** default in **Your** obligation to such Lienholder or in the event **Your Vehicle** is declared a total loss or is repossessed.

**8. Insurance** - Our obligations under this Service Contract are insured under an Insurance Policy issued by Virginia Surety Company, Inc., 175 West Jackson Blvd., Chicago, Illinois 60604. In the event **We** cease to operate, are bankrupt or **Your** claim is not paid within sixty (60) days after proof of loss has been filed, **You** may file a direct claim with Virginia Surety Company, Inc. To do so, please call the following toll-free number for instructions: 1-800-209-6206.

**9. Entire Service Contract** - This Service Contract represents the entire agreement between **You** and **Us**. No person has the authority to change this Service Contract or to waive any of its provisions. No other written or oral statements apply to this Service Contract.

**VI. STATE AMENDMENTS**

This Service Contract is amended to comply with the following state requirements:

- (1) **Alabama:**  
**GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, **Cancellation By You**” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within forty-five (45) days of return of this Service Contract to the **Administrator**.
- (2) **Alaska:**  
**WHAT THIS SERVICE CONTRACT DOES NOT COVER** – is amended to include: Exclusion #23. is revised to read as, “IF YOUR VEHICLE HAS BEEN MODIFIED TO PLOW SNOW, WHETHER THE SNOW PLOW BLADE IS ATTACHED TO THE VEHICLE OR NOT, UNLESS YOUR VEHICLE IS PROPERLY EQUIPPED FOR SUCH USE AND IS NOT USED COMMERCIALY.” Exclusion 4. is amended as follows: Any reference to ‘CONSEQUENTIAL DAMAGE’ within this exclusion is deleted.
- (3) **Arizona:**  
**WHAT THIS SERVICE CONTRACT DOES NOT COVER** – is amended to include: Exclusion #2 is revised to read, “WHEN REPAIRS ARE PERFORMED WITHOUT THE ADMINISTRATOR’S PRIOR AUTHORIZATION, EXCEPT WHEN THE ADMINISTRATOR’S OFFICE IS CLOSED AND EMERGENCY REPAIRS ARE NECESSARY.” (SEE SERVICE CONTRACT SECTION IV. YOUR RESPONSIBILITIES. B. FILING A CLAIM #4. PRIOR APPROVAL). Exclusion #8 is revised to read, “FOR A BREAKDOWN CAUSED BY OR INVOLVING MODIFICATIONS UNLESS THOSE MODIFICATIONS WERE PERFORMED BY THE MANUFACTURER AND THE MODIFICATIONS MEET THE MANUFACTURER’S SPECIFICATIONS, WHILE THE VEHICLE IS OWNED BY YOU (E.G. OVERSIZED TIRES, LIFT KIT, AFTERMARKET PERFORMANCE PARTS OR SYSTEMS). Exclusions #7, 9, 11, 12, 21,22, 23, 25 and 28 are amended to include: “WHILE THE VEHICLE IS OWNED BY YOU.” Exclusions #16, 17, and 20 are deleted in their entirety. Exclusion #26 is revised to read as: **IF YOUR VEHICLE IS AN EXOTIC VEHICLE. YOUR RESPONSIBILITIES** - Section B – Filing a Claim #4. Prior Approval – is amended to read as: ‘.....Any claim for repairs without prior authorization will not be covered, except when the Administrator’s office is closed and emergency repairs are necessary.’ **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, **Cancellation By You**” is deleted in its entirety and replaced by the following: **Cancellation By You** - **You** may cancel this Service Contract at any time. To cancel, **You** must submit a written request and return the Service Contract to the **Administrator**. If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date**, a 100% refund of the **Service Contract Price** will be made. All refunds will be paid to the Lienholder if any, otherwise to **You**. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, **Cancellation By Us**” is amended to include: **We** may cancel this Service Contract at any time for the following reasons: • If there has been a material misrepresentation or fraud; • If **You** have failed to maintain **Your Vehicle** as prescribed by the manufacturer • If, while owned by **You**, **Your Vehicle’s** odometer is inoperative, inaccurate, or has been altered and **You** have failed to repair the odometer; • If **You** do not pay the **Service Contract Price**.
- (4) **Colorado:**  
**GENERAL PROVISIONS** – Section 8 “Insurance” is amended to include: Insurance Policy #2631.
- (5) **Connecticut:**  
The coverage afforded by this Service Contract is still available should the Service Contract Period lapse while **Your Vehicle** is in the custody of a **Repair Facility** for a covered repair.
- Dispute Resolution:  
Regulations of Connecticut State Agencies §42-260-1 through §42-260-5, establish requirements for all extended warranty providers marketing “extended warranties” in Connecticut. Regulations establish an arbitration process to settle disputes between extended warranty providers and buyers arising from extended warranty contracts. Extended warranty providers must include notice of the arbitration process in their “Extended Warranty.” A “Resolution of Disputes” section shall advise the buyer that a written complaint may be mailed to: State of Connecticut, Insurance Department, P.O. Box 816, Hartford, CT 06142-0816, Attn. Consumer Affairs. The written complaint must contain a description of the dispute, the purchase or lease price of the product, the cost of repair of the product and a copy of the warranty contract.
- (6) **Georgia:**  
**WHAT THIS SERVICE CONTRACT DOES NOT COVER** – is amended to include: Exclusion #8 is revised to include the following: ‘MADE SUBSEQUENT TO THE PURCHASE OF THIS SERVICE CONTRACT’. Exclusion #12 is revised to read as, “IF, WHILE OWNED BY YOU, YOUR VEHICLE’S ODOMETER HAS BEEN STOPPED, ALTERED OR MISREPRESENTS YOUR VEHICLE’S ACTUAL MILEAGE.” Exclusion #16 is deleted in its entirety. Exclusion #25 is revised to read as, “IF YOUR VEHICLE IS USED FOR COMMERCIAL PURPOSES, EXAMPLES OF COMMERCIAL USE INCLUDE BUT ARE NOT LIMITED TO: TAXI, POLICE CAR OR OTHER EMERGENCY VEHICLE, HAULING, CONTRCUTION (OTHER THAN DRIVING TO AND FROM WORK), PICK UP SERVICE, DAILY RENTALS, CARRY PASSENGERS FOR HIRE, SNOWPLOWING AND COMPANY POOL USE OR BUSINESS TRAVEL WHEN THE VEHICLE IS USED BY MORE THEN ONE DRIVER. **YOUR RESPONSIBILITIES** – Section B. Filing a Claim #5. Authorize Tear-Down is deleted in its entirety. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges” is deleted in its entirety and replaced by the following: **9. How This Service Contract May Be Canceled – Including Refunds And Charges: Cancellation By You** - **You** may cancel this Service Contract at any time. To cancel, **You** must submit a written request and return the Service Contract to the **Administrator**. If **You** cancel this Service Contract, **You** will receive 100% of the unearned pro-rata **Service Contract Price**. All refunds will be paid to the Lienholder if any, otherwise to **You**. **Cancellation By Us** - **We** may cancel this **Service Contract**: • In the event of fraud; • In the event of material misrepresentation; or • If **You** do not pay the **Service Contract Price**. If **We** cancel this Service Contract, **We** will mail **You** written notice: • At least ten (10) days prior to the effective date of cancellation if **You** do not pay the **Service Contract Price**; or • At least thirty (30) days prior to the effective date of cancellation for fraud or material misrepresentation. If **We** cancel this Service Contract, **You** will receive 100% of the unearned pro-rata **Service Contract Price**. All refunds will be paid to the Lienholder if any, otherwise to **You**. If this Service Contract is financed and **Your Vehicle** is a total loss or is repossessed, **You** authorize **Your** Lien Holder (shown on the front of the Service Contract) to cancel this Service Contract and receive the refund. However, the Lien Holder must hold a power of attorney in order to cancel the Service Contract due to **Your** default in **Your** obligation to such Lien Holder. Should **We** fail to refund the unearned consideration, **You** have the right to receive the refund directly from Virginia Surety Company, Inc.
- (7) **Hawaii:**  
**GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, **Cancellation By You**” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within forty-five (45) days of return of this Service Contract to the **Administrator**.
- (8) **Idaho:**  
Coverage afforded under this Service Contract is not guaranteed by the Idaho Insurance Guarantee Association.
- (9) **Illinois:**  
**KEY TERMS** - “Breakdown” shall include failures of covered parts through normal wear and tear. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, **Cancellation By You**” is amended to include the following: (215 ILCS 152/35) Sec. 35. Cancellation and refunds. No service contract may be issued, sold, or offered for sale in this State unless the service contract clearly states that the service contract holder is allowed to cancel the service contract. If the service contract holder elects cancellation, the service contract provider may retain a cancellation fee not to exceed the lesser of 10% of the service contract price or \$50. The service contract cancellation provision must provide that the service contract may be cancelled:  
(1) within 30 days after its purchase if no service has been provided and that a full refund of the service contract consideration, less any cancellation fee stated in the service contract will be paid to the service contract holder; or  
(2) at any other time and a pro rata refund of the service contract consideration for the unexpired term of the service contract, based on the number of elapsed months, miles, hours, or such other reasonably applicable measure which is clearly disclosed in the service contract, less the value of any service received, and any cancellation fee stated in the service contract will be paid to the service contract holder.
- (10) **Indiana:**  
**Your** proof of payment to the issuing dealer for this Service Contract shall be considered proof of payment to the insurance company, which guarantees **Our** obligation to **You**, providing such insurance was in effect at the time **You** purchased this Service Contract.
- (11) **Iowa:**  
**WHAT THIS SERVICE CONTRACT COVERS** – is amended to include: Used parts will not be used to replace covered parts without prior written authorization from **You**. Rebuilt parts will not be used to replace covered parts unless the parts are rebuilt according to national standards recognized by the Insurance Division. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, **Cancellation By You**” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within thirty (30) days of return of this Service Contract to the **Administrator**. All refunds will be paid by the **Selling Dealer** to the Lienholder if any, otherwise to **You**. If **You** have questions regarding **Your** Service Contract, **You** may address them to the Iowa Insurance Commissioner at the following address: Iowa Insurance Department, 330 Maple Street, Des Moines, Iowa 50319-0065.
- (12) **Louisiana:**  
**GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, **Cancellation By You**” is deleted and replaced by the following: **Cancellation By You** - **You** may cancel this Service Contract at any time. To cancel, **You** must submit a written request and return the Service Contract to the **Administrator**. If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date**, a 100% refund of the **Service Contract Price** will be made. All refunds will be paid to the Lienholder, if any, otherwise to **You**.
- (13) **Maryland:**  
The repair of a malfunction or defect covered under a mechanical repair contract shall include the cost of the teardown and diagnosing the malfunction or defect.
- GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, **Cancellation By You**” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within forty-five (45) days of return of this Service Contract to the **Administrator**. All refunds will be paid to the Lienholder if any, otherwise to **You**.
- (14) **Massachusetts:**  
The following wording is added: NOTICE TO CONTRACT HOLDER: THE COVERAGE YOU ARE BUYING IS NOT REQUIRED IN ORDER TO REGISTER OR FINANCE A VEHICLE. THE BENEFITS PROVIDED MAY DUPLICATE EXPRESS MANUFACTURER’S OR SELLER’S WARRANTIES THAT COME AUTOMATICALLY WITH EVERY SALE. YOU CAN BE REQUIRED BY THE SELLER OF THIS COVERAGE TO PURSUE THOSE WARRANTIES WHICH ARE AVAILABLE TO YOU WITHOUT THIS CONTRACT.
- (15) **Minnesota:**  
**GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, **Cancellation By You**” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within forty-five (45) days of return of this Service Contract to the **Administrator**. All refunds will be paid to the Lienholder if any, otherwise to **You**.
- (16) **Missouri:**  
**KEY TERMS** – “We”, “Us” and “Our” definition is amended to include: “Provider”. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, **Cancellation By You**” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void. **We** will also pay a ten percent (10%) penalty per month for the period that this refund has not been paid by the **Selling Dealer** or the **Administrator**, should the required refund not be paid within thirty (30) days of **Our** receipt of the canceled Service Contract. Should a penalty be due and owing, then **We** will pay it to the Lienholder, if any, otherwise to **You**. Cancellation by **You** will become effective as of the date the written notice of **Your** cancellation is received by **Us**. **We** will mail **You** written notice of **Our** receipt and resulting cancellation of **Your** Service Contract within fifteen (15) days of the date of cancellation. **GENERAL PROVISIONS** – Section 8 “Insurance” is amended to include: A claim against the **Provider** may also include a claim for return of the unearned **Provider** fee.

**(17) Nevada:**

**GENERAL PROVISIONS** – Section 1 “Service Contract Period” is amended to include: This Service Contract is not renewable. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Cancellation By You” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within forty-five (45) days of return of this Service Contract to the **Administrator**. All refunds will be paid to the Lienholder if any, otherwise to **You**. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Section “Cancellation By Us”” is amended to include: **Our** right to cancel for any reason is changed from ninety (90) days to seventy (70) days. **We** may only cancel this Service Contract after seventy (70) days for the following reasons: • If **You** do not pay the **Service Contract Price**; • If **You** are convicted of a crime that results in an increase in the risk covered under this Service Contract. • If there has been a material misrepresentation or fraud; or • If **We** discover an act or omission by **You**, or a violation by **You** of any terms or conditions of this Service Contract, after the **Service Contract Purchase Date**, that substantially and materially increases the risk covered under this Service Contract.

**(18) New Hampshire:**

**GENERAL PROVISIONS** – Section 8 “Insurance” is amended to include: If **You** are not satisfied with the insurance company’s response, **You** may contact the New Hampshire Department of Insurance, 21 Fruit Street, Concord, New Hampshire 03301, 1-603-271-2261.

**(19) New Mexico:**

**GENERAL PROVISIONS** – Section 1 “Service Contract Period” is amended to include: This Service Contract is not renewable. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Cancellation by You” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within sixty (60) days of return of this Service Contract to the **Administrator**. All refunds will be paid to the Lienholder if any, otherwise to **You**. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Cancellation by Us” is amended to include: **Our** right to cancel for any reason is changed from ninety (90) days to seventy (70) days. **We** may only cancel this Service Contract after seventy (70) days for the following reasons: • If **You** do not pay the **Service Contract Price**; • If **You** are convicted of a crime that results in an increase in the risk covered under this Service Contract; • If there has been a material misrepresentation or fraud; or • If **We** discover an act or omission by **You**, or a violation by **You** of any terms or conditions of this Service Contract, after the **Service Contract Purchase Date**, that substantially and materially increases the risk covered under this Service Contract.

**(20) New York:**

**GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Cancellation by You” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within thirty (30) days of return of this Service Contract to the **Administrator**. All refunds will be paid to the Lienholder if any, otherwise to **You**.

**(21) North Carolina:**

**GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Cancellation by Us” is amended to include: **We** may only cancel this Service Contract at any time for any of the reasons listed below: • If there has been a material misrepresentation or fraud; or • If **You** do not pay the **Service Contract Price**.

**(22) Oklahoma:**

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. Coverage afforded under this contract is not guaranteed by the Oklahoma Insurance Guaranty Association. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled - Including Refunds And Charges, Cancellation by You” is deleted and replaced by the following: Cancellation By You - In the event the contract is canceled by the warranty holder, return of premium shall be based upon ninety percent (90%) of the unearned pro-rata premium less the actual cost of any service provided under the service warranty contract. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled - Including Refunds And Charges, Cancellation by Us” is amended to include: In the event the contract is canceled by the association, return of premium shall be based upon one hundred percent (100%) of unearned pro-rata premium less the actual cost of any service provided under the service warranty contract. Oklahoma service warranty Statutes do not apply to commercial use references in service warranty contracts.

**(23) South Carolina:**

**GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Cancellation by You” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within forty-five (45) days of return of this Service Contract to the **Administrator**. All refunds will be paid to the Lienholder if any, otherwise to **You**. For questions regarding **Your** Service Contract **You** should contact **Our** Customer Service Department at (800) 356-9441 during regular business hours Monday thru Friday 9:00 A.M. to 5:00 P.M. EST or anytime by e-mail to OPERATIONS@PENNWARRANTYCORP.COM. To file a formal complaint under **Your** Service Contract call (800) 575-2749. In the event **You** do not receive satisfaction under this Contract, **You** may contact the South Carolina Department of Insurance Consumer Services Office at 803-737-6180 or in writing at South Carolina Department of Insurance P.O. Box 100105, Columbia, SC 29202-3105.

**(24) Texas:**

Unresolved complaints or questions concerning the regulation of service contracts may be directed to the Texas Department of Licensing and Regulation at P.O. Box 12157, Austin, TX 78711, 1-800-803-9202. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Cancellation By You” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within forty-five (45) days of return of this Service Contract to the **Administrator**. All refunds will be paid to the Lienholder if any, otherwise to **You**. If **Your** cancellation refund is not paid within forty-five (45) days after the Service Contract has been returned to the **Selling Dealer** or the **Administrator**, **You** may request a refund from Virginia Surety Company, Inc., 175 West Jackson Blvd., Chicago, Illinois 60604.

**(25) Utah:**

Coverage afforded under this Service Contract is not guaranteed by the Property and Casualty Guaranty Association. This Service Contract is subject to limited regulation by the Utah Insurance Department. To file a complaint, contact the Utah Insurance Department. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Cancellation By Us” is amended to include: **We** may cancel this Service Contract for any reason within sixty (60) days from the **Service Contract Purchase Date**. After sixty (60) days, **We** may cancel this Service Contract only for one or more of the following reasons: • For nonpayment of premium; • For material misrepresentation; • For substantial changes in the risk assumed, unless the insurer should reasonably have foreseen the change or contemplated the risk when entering into the contract; or • For substantial breaches in contractual duties, conditions or warranties. **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 premium] before **We** cancel this Contract. Such cancellation notice will be delivered or mailed by first class mail. If this Service Contract is financed and **Your Vehicle** is a total loss or is repossessed, **You** authorize **Your** Lien Holder (shown on the front of this Service Contract) to receive the refund. **YOUR RESPONSIBILITIES** – Filing a Claim. #8 is amended with the following: Failure to file within the time limit does not invalidate a claim if the Contract Holder shows it was not reasonably possible to file within the listed time limit (31A-21-312).

**(26) Wisconsin:**

THIS SERVICE CONTRACT IS SUBJECT TO LIMITED REGULATION BY THE OFFICE OF THE COMMISSIONER OF INSURANCE. **WHAT THIS SERVICE CONTRACT DOES NOT COVER** – is amended to include: Exclusion #2 is deleted in its entirety. **YOUR RESPONSIBILITIES** – Filing a Claim. #4. Prior Approval is amended to include: **Failure to obtain authorization prior to having repairs made may jeopardize Coverage under this Contract, except as provided under Emergency Repairs. YOUR RESPONSIBILITIES** – Filing a Claim. #8 is amended to include the following: **The 180 days time limit for reimbursement does not apply. All repair orders and documentation must be submitted to the Administrator as soon as reasonably possible. GENERAL PROVISIONS** – Section 5 “Subrogation” is amended to include: **You** will be made whole before **We** retain any amount **We** may recover. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Cancellation By You” is deleted in its entirety and replaced by the following: Cancellation By You - **You** may cancel this Service Contract at any time. To cancel, **You** must submit a written request and return the Service Contract to the **Administrator**. If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date**, a 100% refund of the **Service Contract Price** will be made. All refunds will be paid to the Lienholder if any, otherwise to **You**. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Section “Cancellation By Us”” is amended to include: **Our** right to cancel for any reason is changed from ninety (90) days to sixty (60) days.

**(27) Wyoming:**

**GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Cancellation By You” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within forty-five (45) days of return of this Service Contract to the **Administrator**. The sentence “All refunds will be paid to the Lienholder if any, otherwise to **You**.” is revised to read as “All refunds will be made payable to the Lienholder and **You**”.



# The Penn Warranty Corporation

201003S  
NC-1

Hanover Industrial Estates • 1081 Hanover Street • Wilkes-Barre, PA 18706-2028  
Tel (800) 356-9441 • Fax (570) 270-3365  
E-mail: customer.service@pennwarrantycorp.com • www.pennwarrantycorp.com

## STANDARD CONTRACT - FULLY INSURED - UNLIMITED MILEAGE

VEHICLE SALE DATE _____	VIN _____
VEHICLE YEAR _____	MILEAGE _____
VEHICLE MAKE _____	VEHICLE PRICE _____
VEHICLE MODEL _____	CONTRACT PRICE _____
OWNER NAME _____	ADDRESS _____
PRIMARY PHONE _____	CITY _____
SECONDARY PHONE _____	STATE _____ ZIP _____
DEALER NAME _____	LIEN HOLDER _____
PRIMARY PHONE _____	PRIMARY PHONE _____
SECONDARY PHONE _____	ADDRESS _____
SALESPERSON NAME _____	CITY _____ STATE _____ ZIP _____
<b>I have read and fully understood the terms of this contract.</b>	
CUSTOMER SIGNATURE: <b>X</b> _____ DATE ____/____/____	

- 3 MONTHS     6 MONTHS     12 MONTHS     24 MONTHS     36 MONTHS     48 MONTHS

### MECHANICAL REPAIR SERVICE CONTRACT

This agreement describes the coverage **You** will have under **Your** Mechanical Repair Service Contract (hereafter referred to as "Service Contract"). In return for payment by **You** of the **Service Contract Price** and subject to all the terms of this Service Contract, **We** agree with **You** as follows:

#### I. WHAT THIS SERVICE CONTRACT COVERS

**Coverage** - During the Service Contract Period **We** will pay a **Repair Facility**, or at **Our** option, reimburse **You** the **Cost** to remedy any **Breakdown** of the parts listed below, less **Per Occurrence**. Parts not listed are not covered by this Service Contract.\*

**At the Administrator's option, replacement parts used in covered repairs may include new, remanufactured, used or non-original equipment manufactured parts. All parts will conform to manufacturer's specifications.**

**1. ENGINE** - Cylinder block, cylinder heads, and all internal parts including: pistons, piston pins, piston rings, connecting rods, connecting rod bearings, crankshaft and main bearings, camshaft and lifters/followers (lifters or followers which have not failed, and only require cleaning are not covered), intake and exhaust valves, push rods, rocker arm shafts, rocker arms, timing drive components including timing chains/belts (timing chain or belt which is being changed as part of the manufacturer's preventive maintenance schedule, is not covered). Valve train covers, intake and exhaust manifolds, flywheel, oil pump, and oil pan. Internal engine sensors. Cylinder head gaskets and intake manifold gaskets are covered for coolant leaks only.

**2. AUTOMATIC TRANSMISSION** - Case and all internal parts including: planetary gear systems, clutch and steel packs, clutch drums, bands, internal seals, pump, valve body, internal sensors and internal solenoids, and overrunning or one way clutch assemblies. Torque converter and the torque converter housing.

**3. STANDARD TRANSMISSION** - Case and all internal parts, including: input shaft, output shaft, idler shafts, main shaft, all internal gears, shift forks, and synchronizer assemblies. Any internal solenoids or sensors. Standard transmission clutch assemblies, linkages, and hydraulic clutch units are not covered.

**4. DIFFERENTIAL** - Front or rear differential housing and all internal parts. Drive shaft, universal joints, and front axle joints. Transfer case on four wheel drive vehicles and all internal parts.

**5. COOLING SYSTEM** - Fan and fan clutch. Electric radiator fan motor, water pump.

**6. STEERING** - Steering gear, rack and pinion assembly, and all internal parts. Power steering cooler and lines.

**7. SUSPENSION** - Front or rear springs which are broken or worn beyond manufacturer's specifications. Control arms and ball joints.

**8. BRAKES** - All brake components, including all components of the anti-lock brake system including: wheel cylinders, front or rear calipers, brake springs, pins, and hardware kits, wheel speed sensors (sensors damaged by bad wheel bearings are not covered), brake hoses, brake lines, brake combination or proportioning valves, master cylinder, ABS pump, ABS module, ABS hydraulic unit, ABS hydraulic control unit, and ABS accumulator. Brake linings, pads, rotors and drums are NOT covered.

**9. ELECTRICAL** - Alternator, voltage regulator, windshield wiper motor and starter motor, power window motors, power seat motors, and power door lock actuators.

**10. RENTAL CAR** - Twenty five dollars (\$25.00) per eight hours of authorized flat rate time to repair or replace a covered component with a maximum of two hundred and fifty dollars (\$250.00). Any delays caused by unavailability of parts, shipping of parts, repair facility scheduling, or any other delays do not qualify for rental reimbursement.

**11. TOWING** - If your vehicle must be towed because a covered component has failed, towing to the nearest qualified repair facility is covered up to a maximum of fifty dollars (\$50.00).

**12. LABOR** - Labor charges are based on industry accepted flat rate time to repair or replace a covered component up to sixty-five dollars (\$65.00) per hour.

**Only the components listed in the above systems are covered by this Service Contract. No other components, other than those listed above under "What This Service Contract Covers", are covered by this Service Contract.**

**II. KEY TERMS** - When used, Key Terms will appear in **bold** print.

**"Vehicle"** means the covered car or truck shown on the front of this Service Contract.

**"You"** and **"Your"** mean the customer (private individual) shown on the front of this Service Contract, or an eligible person to whom this Service Contract has been properly transferred.

**"We", "Us" and "Our"** mean the obligor of this Service Contract: Penn Warranty Corporation, Hanover Industrial Estates, 1081 Hanover Street, Wilkes-Barre, PA 18706, 1-800-356-9441; Fax: (570) 270-3365; www.pennwarrantycorp.com.

**"Administrator"** means the company that provides, administrative services for this Service Contract: Penn Warranty Corporation, Hanover Industrial Estates, 1081 Hanover Street, Wilkes-Barre, PA 18706, 1-800-356-9441; Fax: (570) 270-3365; www.pennwarrantycorp.com.

**"Breakdown"** means the failure of any original or like replacement part covered by this Service Contract to perform its intended function(s) in normal service, including worn beyond service limits, providing it has received all scheduled maintenance as recommended by the manufacturer in the Owners Manual.

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

**At the Administrator's option, replacement parts used in covered repairs may include new, remanufactured, used or non-original equipment manufactured parts. All parts will conform to manufacturer's specifications.**

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

**"Per Occurrence"** means the amount **You** must pay for covered repairs per visit. The standard **Per Occurrence** is \$100. If **Your Cost** is a **Warranty Per Occurrence** charge imposed by the manufacturer, this Service Contract will pay the manufacturer's **Per Occurrence**.

**"Months"** means the number of **Months** shown on the front of this Service Contract.

**"Service Contract Price"** means the amount **You** paid for this Service Contract shown on the front of this Service Contract.

**"Service Contract Purchase Date"** means the date **You** purchased this Service Contract.

**"Repair Facility"** means a franchised dealer or licensed **Repair Facility**. Repairs performed by any facility must receive authorization from the **Administrator** prior to beginning repairs.

**"Selling Dealer"** means the dealer from whom **You** purchased this Service Contract shown on the front of this Service Contract.

### III. WHAT THIS SERVICE CONTRACT DOES NOT COVER

MAINTENANCE AND PARTS NOT COVERED: THE MAINTENANCE SERVICES AND PARTS DESCRIBED UNDER MAINTENANCE REQUIREMENTS AS SHOWN IN THIS SERVICE CONTRACT OR IN THE MANUFACTURER'S MAINTENANCE SCHEDULE FOR YOUR VEHICLE.

IN ADDITION, WE WILL NOT PAY BENEFITS:

1. FOR COSTS COVERED BY ANY WARRANTY OF THE MANUFACTURER, STATE REQUIRED WARRANTY, DEALER WARRANTY, INSURANCE POLICY, REPAIR FACILITY'S GUARANTEE, OR ANY OTHER GUARANTEE REGARDLESS OF WHETHER THEY HONOR SUCH WARRANTY OR GUARANTEE.
2. WHEN REPAIRS ARE PERFORMED WITHOUT THE ADMINISTRATOR'S PRIOR AUTHORIZATION.
3. FOR A BREAKDOWN CAUSED BY OR INVOLVING COLLISION, FIRE, THEFT, CONDITIONS OF THE ENVIRONMENT, DAMAGE THAT RESULTS FROM SOMEONE ALTERING THE VEHICLE, MISUSING THE VEHICLE, TAMPERING WITH THE VEHICLE, MAKING IMPROPER ADJUSTMENTS, IMPROPER FUELS, IMPROPERLY MAINTAINING THE VEHICLE, FAILING TO MAINTAIN THE VEHICLE WITHIN MANUFACTURER'S RECOMMENDATIONS, DAMAGE OR FAILURE OF A COVERED COMPONENT CAUSED BY AN NON-COVERED COMPONENT, AND PREVIOUS OR IMPROPER REPAIRS.
4. FOR LOSS OF TIME, ECONOMIC LOSS, INCONVENIENCE, LODGING, FOOD, FREIGHT CHARGES, CORE CHARGES, STORAGE CHARGES, OR OTHER CONSEQUENTIAL LOSS OR DAMAGE THAT RESULTED FROM A BREAKDOWN.
5. FOR A BREAKDOWN WHEN CONTAMINATED OR POOR QUALITY FLUIDS, FUELS, LUBRICANTS OR GREASE CAUSED OR CONTRIBUTED TO THE BREAKDOWN.
6. FOR FLUID LEAKS OR DAMAGE THAT RESULTS FROM FLUID LEAKS.
7. FOR ANY BREAKDOWN CAUSED BY CONTAMINATION, OVERHEATING, LACK OF COOLANT OR LUBRICANTS.
8. FOR A BREAKDOWN CAUSED BY OR INVOLVING MODIFICATIONS UNLESS THOSE MODIFICATIONS WERE PERFORMED BY THE MANUFACTURER (E.G. OVERSIZED TIRES, LIFT KIT, AFTERMARKET PERFORMANCE PARTS OR SYSTEMS).
9. FOR A BREAKDOWN CAUSED BY ABUSE, MISUSE, ALTERATIONS OR LACK OF CUSTOMARY MAINTENANCE AS RECOMMENDED IN SERVICE CONTRACT SECTION IV A. MAINTENANCE REQUIREMENTS AND/OR IN THE MANUFACTURER'S MAINTENANCE SCHEDULE FOR YOUR VEHICLE.
10. FOR A BREAKDOWN OF A COVERED PART RESULTING FROM THE FAILURE OF A NON-COVERED PART.
11. FOR A BREAKDOWN CAUSED BY OR INVOLVING EQUIPMENT, COMPONENTS OR SYSTEMS NOT INSTALLED BY THE MANUFACTURER.
12. IF YOUR VEHICLE'S ODOMETER HAS BEEN STOPPED, ALTERED OR MISREPRESENTS YOUR VEHICLE'S ACTUAL MILEAGE, WHEREBY THIS CONTRACT WILL BE CONSIDERED VOIDED
13. SEALS AND GASKETS ARE NOT COVERED BY THIS SERVICE CONTRACT UNLESS REQUIRED IN CONJUNCTION WITH A COVERED REPAIR.
14. FOR A BREAKDOWN THAT IS A DIRECT RESULT OF A MECHANICAL OR STRUCTURAL DEFECT WHEN THE MANUFACTURER HAS ANNOUNCED A PUBLIC RECALL FOR THE PURPOSE OF CORRECTING SUCH A DEFECT.
15. FOR ADDITIONAL LOSS OR DAMAGE WHICH IS OCCASIONED BY YOU OR OPERATOR'S FAILURE TO USE ALL REASONABLE PRECAUTIONS TO PROTECT THE VEHICLE FROM ANY FURTHER LOSS OR DAMAGE AFTER A BREAKDOWN OR FAILURE HAS OCCURRED OR BEEN INDICATED.
16. FOR A MECHANICAL BREAKDOWN WHICH EXISTED PRIOR TO, OR WAS CAUSED BY A CONDITION WHICH EXISTED PRIOR TO THE SERVICE CONTRACT PURCHASE DATE.
17. IF YOUR VEHICLE HAD BEEN DECLARED A TOTAL LOSS, SALVAGED OR JUNK VEHICLE.
18. FOR EXPENSES CHARGED FOR DISPOSAL OF ENVIRONMENTALLY UNSAFE MATERIALS.
19. FOR EXPENSES CHARGED FOR NON-SPECIFIC MATERIALS OR SHOP SUPPLIES.
20. IF YOUR VEHICLE WAS MANUFACTURED AS A NON-U.S. SPECIFICATION MODEL.
21. FOR A BREAKDOWN CAUSED BY TOWING A TRAILER OR ANOTHER VEHICLE UNLESS YOUR VEHICLE IS EQUIPPED FOR THIS AS RECOMMENDED BY THE MANUFACTURER.
22. FOR A BREAKDOWN CAUSED BY USING YOUR VEHICLE FOR RACING OR OTHER COMPETITION.
23. IF YOUR VEHICLE HAS BEEN MODIFIED TO PLOW SNOW, WHETHER THE SNOW PLOW BLADE IS ATTACHED TO THE VEHICLE OR NOT.
24. FOR A BREAKDOWN CAUSED BY RUST OR WEATHER RELATED CORROSION.
25. IF YOUR VEHICLE IS USED FOR COMMERCIAL PURPOSES. EXAMPLES OF COMMERCIAL USE INCLUDE BUT ARE NOT LIMITED TO: TAXI, POLICE CAR OR OTHER EMERGENCY VEHICLE, HAULING, CONSTRUCTION (OTHER THAN DRIVING TO AND FROM WORK), PICKUP AND DELIVERY SERVICE, DAILY RENTALS, CARRY PASSENGERS FOR HIRE, SNOWPLOWING AND COMPANY POOL USE OR BUSINESS TRAVEL WHEN THE VEHICLE IS USED BY MORE THAN ONE DRIVER.
26. IF YOUR VEHICLE IS AN EXOTIC VEHICLE OR IS A TRUCK RATED MORE THAN 1 TON.
27. FOR REPAIRS MADE SOLELY TO MEET OR MAINTAIN ANY GOVERNMENTAL EMISSION STANDARDS.
28. DAMAGE CAUSED TO YOUR ENGINE, TRANSMISSION, TRANSFER CASE OR AXLE ASSEMBLY RESULTING FROM WATER INGESTION.
29. FOR REPAIRS OF WATER AND AIR LEAKS, RATTLES, SQUEAKS AND WIND NOISE.

### IV. YOUR RESPONSIBILITIES

**A. Maintenance Requirements and Service History** - In order to keep Your Service Contract valid, You must follow the maintenance procedures listed below. If Your failure to follow these procedures causes a Breakdown, You may be denied coverage.

Your Vehicle must be serviced receiving all scheduled maintenance as recommended by the Manufacturer in the Owners Manual.

You must keep receipts which verify the Vehicle Identification Number and all repair orders/maintenance records issued by the Selling Dealer/Repair Facility performing the required services on Your Vehicle. Repair order/maintenance records must include the date, a description of Your Vehicle, mileage and list in detail each of the services performed and maintenance parts replaced. We may require You to furnish the Administrator with proof that the specified services have been performed. Failure to show proof of servicing may result in denial of coverage.

**B. Filing a Claim** - If Your Vehicle incurs a Breakdown, You must take the following steps to file a claim:

1. **Prevent Further Damage** – Take immediate action to protect Your Vehicle from further damage. Your Contract will not cover the damage caused by not securing a timely repair when a Breakdown has occurred. You are responsible for observing Your Vehicle warning lights and gauges, and taking appropriate action immediately to prevent further damage. Failure to do so may result in the denial or the limitation of Coverage.
2. **Take Your Vehicle to any licensed Repair Facility.** Your Vehicle must be at a Repair Facility for a claim to be opened. If You need assistance in locating a Repair Facility, contact the Administrator at 1-800-356-9441.
3. **Provide Repair Facility with a copy of Your Contract and/or Your Contract Number.**
4. **Prior Approval** – Prior to any repair being made, have the Repair Facility to contact the Administrator with the estimate of repairs containing both parts and labor, and to obtain an authorization for the claim. The Administrator can be contacted Monday through Friday, 9:00 a.m. to 5:00 p.m. at 1-800-356-9441. Emergency repairs, done outside of working hours, may be submitted to Customer Service with a letter of explanation for payment consideration. If it is determined that a covered component has failed and the estimate for the repair is agreed upon by our adjuster, an authorization number will be issued by the Administrator. The amount authorized by the Administrator is the maximum amount that will be paid for repairs covered under the terms of this Contract. No repairs are to be made on Your Vehicle until an authorization number is issued by the Administrator. Any claim for repairs without prior authorization will not be covered.
5. **Authorize Tear-Down** - Authorize the Repair Facility to perform necessary diagnostic work and provide "teardown" authorization so that the Repair Facility can provide accurate diagnosis and estimate of repairs.
6. **Allow the Administrator to inspect Your Vehicle prior to any repairs being made.**
7. **After investigating Your Vehicle's component failure, in case of a discrepancy in findings, the Administrator reserves the right to have repairs done at a location other than the one you have selected.**
8. **Payment of Claims** - To obtain payment for a covered repair You, or the Repair Facility must submit a legible copy or original repair order to the Administrator. Repair orders must be readable and understandable, and contain the following information: Repair Facility name, address and phone number, Your name, address and phone number, repair diagnosis, parts and labor hours, authorization number, vehicle identification number, vehicle mileage, year, make and model. Authorization number issued by the Administrator must appear on all receipts submitted for reimbursement. No invoices will be processed without a valid authorization number. Once authorization is obtained, and the repair is completed, all repair orders and documentation must be submitted to the Administrator within 180 days to be eligible for payment.

### V. GENERAL PROVISIONS

**1. Service Contract Period** - The term of this Service Contract is the **Months** as shown on the Service Contract. The term begins on the **Service Contract Purchase Date** as shown on the Service Contract. The term ends when the **Months** from the **Service Contract Purchase Date** is reached.

**2. When And Where You Are Covered** - This Service Contract applies only to **Breakdowns** occurring within the contract period in the continental United States of America, Alaska, and Hawaii.

**3. If You Have Other Coverage** - If the manufacturer or **Repair Facility** agrees to cover all or some of the **Cost** of a **Breakdown** after a **Warranty** or guarantee has expired, **We** will pay only for any extra **Cost** subject to the limits of this Service Contract.

**4. Limit of Liability** - Our limit of liability is the **Cost** to repair or replace any covered **Breakdown**. Our maximum liability per repair shall not exceed two thousand dollars (\$2,000). The total of all benefits payable for the term of the Service Contract shall not exceed the original **Vehicle** purchase price as shown in the Service Contract.

**5. Subrogation** - If **We** pay for a loss, **We** may require **You** to assign to **Us** Your rights of recovery against others. **We** will not pay for a loss if **You** impair these rights to recover. Your rights to recover from others may not be waived.

**6. How This Service Contract May Be Transferred** - This used vehicle service contract is transferable to subsequent owners. The charge to transfer is one hundred dollars (\$100.00). The transferred service contract will remain in effect for the remainder of the original coverage period. Without a transfer to the new owner, this contract is terminated at the time of sale or when the contract holder no longer owns the vehicle.

**7. How This Service Contract May Be Canceled - Including Refunds And Charges**  
**Cancellation By You** - You may cancel this Service Contract at any time. To cancel, You must submit a written request and return the Service Contract to the Administrator. If You cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date**, a 100% refund of the **Service Contract Price** will be made, less any claims paid. All refunds will be paid to the Lienholder, if any, otherwise to You.

**Cancellation By Us** - We may cancel this Service Contract for any reason within ninety (90) days of the **Service Contract Purchase Date** or any time with just cause (unless otherwise as indicated by Your state, within the State Amendment section), including:  
 • If there has been a material misrepresentation or fraud; • If **You** have failed to maintain **Your Vehicle** as prescribed by the manufacturer. • If **Your Vehicle's** odometer is inoperative, inaccurate, or has been altered and **You** have failed to repair the odometer; • If **You** do not pay the **Service Contract Price**. • If **You** use **Your Vehicle** in any manner not covered by this Service Contract; or • If **Your Vehicle** has a salvage title.

If **We** cancel this Service Contract, **We** will mail **You** written notice prior to cancellation. A pro-rata refund of the unused **Months** will be made. The pro-rata refund will be calculated by multiplying the **Service Contract Price** by the percentage of the unused **Months** compared to the total **Months** of **Your** Service Contract Period. All refunds will be paid to the Lienholder if any, otherwise to **You**.

**Cancellation By Lienholder** - If this Service Contract is financed, the Lienholder (shown on the front of the Service Contract) may cancel the Service Contract in the event **You** default in **Your** obligation to such Lienholder or in the event **Your Vehicle** is declared a total loss or is repossessed.

**8. Insurance** - Our obligations under this Service Contract are insured under an Insurance Policy issued by Virginia Surety Company, Inc., 175 West Jackson Blvd., Chicago, Illinois 60604. In the event **We** cease to operate, are bankrupt or **Your** claim is not paid within sixty (60) days after proof of loss has been filed, **You** may file a direct claim with Virginia Surety Company, Inc. To do so, please call the following toll-free number for instructions: 1-800-209-6206.

**9. Entire Service Contract** - This Service Contract represents the entire agreement between **You** and **Us**. No person has the authority to change this Service Contract or to waive any of its provisions. No other written or oral statements apply to this Service Contract.

**VI. STATE AMENDMENTS**

This Service Contract is amended to comply with the following state requirements:

- (1) **Alabama:**  
**GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, **Cancellation By You**” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within forty-five (45) days of return of this Service Contract to the **Administrator**.
- (2) **Alaska:**  
**WHAT THIS SERVICE CONTRACT DOES NOT COVER** – is amended to include: Exclusion #23. is revised to read as, “IF YOUR VEHICLE HAS BEEN MODIFIED TO PLOW SNOW, WHETHER THE SNOW PLOW BLADE IS ATTACHED TO THE VEHICLE OR NOT, UNLESS YOUR VEHICLE IS PROPERLY EQUIPPED FOR SUCH USE AND IS NOT USED COMMERCIALY.” Exclusion 4. is amended as follows: Any reference to ‘CONSEQUENTIAL DAMAGE’ within this exclusion is deleted.
- (3) **Arizona:**  
**WHAT THIS SERVICE CONTRACT DOES NOT COVER** – is amended to include: Exclusion #2 is revised to read, “WHEN REPAIRS ARE PERFORMED WITHOUT THE ADMINISTRATOR’S PRIOR AUTHORIZATION, EXCEPT WHEN THE ADMINISTRATOR’S OFFICE IS CLOSED AND EMERGENCY REPAIRS ARE NECESSARY.” (SEE SERVICE CONTRACT SECTION IV. YOUR RESPONSIBILITIES. B. FILING A CLAIM #4. PRIOR APPROVAL). Exclusion #8 is revised to read, “FOR A BREAKDOWN CAUSED BY OR INVOLVING MODIFICATIONS UNLESS THOSE MODIFICATIONS WERE PERFORMED BY THE MANUFACTURER AND THE MODIFICATIONS MEET THE MANUFACTURER’S SPECIFICATIONS, WHILE THE VEHICLE IS OWNED BY YOU (E.G. OVERSIZED TIRES, LIFT KIT, AFTERMARKET PERFORMANCE PARTS OR SYSTEMS). Exclusions #7, 9, 11, 12, 21,22, 23, 25 and 28 are amended to include: “WHILE THE VEHICLE IS OWNED BY YOU.” Exclusions #16, 17, and 20 are deleted in their entirety. Exclusion #26 is revised to read as: **IF YOUR VEHICLE IS AN EXOTIC VEHICLE. YOUR RESPONSIBILITIES** - Section B – Filing a Claim #4. Prior Approval – is amended to read as: ‘.....Any claim for repairs without prior authorization will not be covered, except when the Administrator’s office is closed and emergency repairs are necessary.’ **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, **Cancellation By You**” is deleted in its entirety and replaced by the following: **Cancellation By You** - **You** may cancel this Service Contract at any time. To cancel, **You** must submit a written request and return the Service Contract to the **Administrator**. If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date**, a 100% refund of the **Service Contract Price** will be made. All refunds will be paid to the Lienholder if any, otherwise to **You**. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, **Cancellation By Us**” is amended to include: **We** may cancel this Service Contract at any time for the following reasons: • If there has been a material misrepresentation or fraud; • If **You** have failed to maintain **Your Vehicle** as prescribed by the manufacturer • If, while owned by **You**, **Your Vehicle’s** odometer is inoperative, inaccurate, or has been altered and **You** have failed to repair the odometer; • If **You** do not pay the **Service Contract Price**.
- (4) **Colorado:**  
**GENERAL PROVISIONS** – Section 8 “Insurance” is amended to include: Insurance Policy #2631.
- (5) **Connecticut:**  
The coverage afforded by this Service Contract is still available should the Service Contract Period lapse while **Your Vehicle** is in the custody of a **Repair Facility** for a covered repair.
- Dispute Resolution:  
Regulations of Connecticut State Agencies §42-260-1 through §42-260-5, establish requirements for all extended warranty providers marketing “extended warranties” in Connecticut. Regulations establish an arbitration process to settle disputes between extended warranty providers and buyers arising from extended warranty contracts. Extended warranty providers must include notice of the arbitration process in their “Extended Warranty.” A “Resolution of Disputes” section shall advise the buyer that a written complaint may be mailed to: State of Connecticut, Insurance Department, P.O. Box 816, Hartford, CT 06142-0816, Attn. Consumer Affairs. The written complaint must contain a description of the dispute, the purchase or lease price of the product, the cost of repair of the product and a copy of the warranty contract.
- (6) **Georgia:**  
**WHAT THIS SERVICE CONTRACT DOES NOT COVER** – is amended to include: Exclusion #8 is revised to include the following: ‘MADE SUBSEQUENT TO THE PURCHASE OF THIS SERVICE CONTRACT’. Exclusion #12 is revised to read as, “IF, WHILE OWNED BY YOU, YOUR VEHICLE’S ODOMETER HAS BEEN STOPPED, ALTERED OR MISREPRESENTS YOUR VEHICLE’S ACTUAL MILEAGE.” Exclusion #16 is deleted in its entirety. Exclusion #25 is revised to read as, “IF YOUR VEHICLE IS USED FOR COMMERCIAL PURPOSES, EXAMPLES OF COMMERCIAL USE INCLUDE BUT ARE NOT LIMITED TO: TAXI, POLICE CAR OR OTHER EMERGENCY VEHICLE, HAULING, CONTRCUTION (OTHER THAN DRIVING TO AND FROM WORK), PICK UP SERVICE, DAILY RENTALS, CARRY PASSENGERS FOR HIRE, SNOWPLOWING AND COMPANY POOL USE OR BUSINESS TRAVEL WHEN THE VEHICLE IS USED BY MORE THEN ONE DRIVER. **YOUR RESPONSIBILITIES** – Section B. Filing a Claim #5. Authorize Tear-Down is deleted in its entirety. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges” is deleted in its entirety and replaced by the following: **9. How This Service Contract May Be Canceled – Including Refunds And Charges: Cancellation By You** - **You** may cancel this Service Contract at any time. To cancel, **You** must submit a written request and return the Service Contract to the **Administrator**. If **You** cancel this Service Contract, **You** will receive 100% of the unearned pro-rata **Service Contract Price**. All refunds will be paid to the Lienholder if any, otherwise to **You**. **Cancellation By Us** - **We** may cancel this **Service Contract**: • In the event of fraud; • In the event of material misrepresentation; or • If **You** do not pay the **Service Contract Price**. If **We** cancel this Service Contract, **We** will mail **You** written notice: • At least ten (10) days prior to the effective date of cancellation if **You** do not pay the **Service Contract Price**; or • At least thirty (30) days prior to the effective date of cancellation for fraud or material misrepresentation. If **We** cancel this Service Contract, **You** will receive 100% of the unearned pro-rata **Service Contract Price**. All refunds will be paid to the Lienholder if any, otherwise to **You**. If this Service Contract is financed and **Your Vehicle** is a total loss or is repossessed, **You** authorize **Your** Lien Holder (shown on the front of the Service Contract) to cancel this Service Contract and receive the refund. However, the Lien Holder must hold a power of attorney in order to cancel the Service Contract due to **Your** default in **Your** obligation to such Lien Holder. Should **We** fail to refund the unearned consideration, **You** have the right to receive the refund directly from Virginia Surety Company, Inc.
- (7) **Hawaii:**  
**GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, **Cancellation By You**” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within forty-five (45) days of return of this Service Contract to the **Administrator**.
- (8) **Idaho:**  
Coverage afforded under this Service Contract is not guaranteed by the Idaho Insurance Guarantee Association.
- (9) **Illinois:**  
**KEY TERMS** - “Breakdown” shall include failures of covered parts through normal wear and tear. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, **Cancellation By You**” is amended to include the following: (215 ILCS 152/35) Sec. 35. Cancellation and refunds. No service contract may be issued, sold, or offered for sale in this State unless the service contract clearly states that the service contract holder is allowed to cancel the service contract. If the service contract holder elects cancellation, the service contract provider may retain a cancellation fee not to exceed the lesser of 10% of the service contract price or \$50. The service contract cancellation provision must provide that the service contract may be cancelled:  
(1) within 30 days after its purchase if no service has been provided and that a full refund of the service contract consideration, less any cancellation fee stated in the service contract will be paid to the service contract holder; or  
(2) at any other time and a pro rata refund of the service contract consideration for the unexpired term of the service contract, based on the number of elapsed months, miles, hours, or such other reasonably applicable measure which is clearly disclosed in the service contract, less the value of any service received, and any cancellation fee stated in the service contract will be paid to the service contract holder.
- (10) **Indiana:**  
**Your** proof of payment to the issuing dealer for this Service Contract shall be considered proof of payment to the insurance company, which guarantees **Our** obligation to **You**, providing such insurance was in effect at the time **You** purchased this Service Contract.
- (11) **Iowa:**  
**WHAT THIS SERVICE CONTRACT COVERS** – is amended to include: Used parts will not be used to replace covered parts without prior written authorization from **You**. Rebuilt parts will not be used to replace covered parts unless the parts are rebuilt according to national standards recognized by the Insurance Division. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, **Cancellation By You**” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within thirty (30) days of return of this Service Contract to the **Administrator**. All refunds will be paid by the **Selling Dealer** to the Lienholder if any, otherwise to **You**. If **You** have questions regarding **Your** Service Contract, **You** may address them to the Iowa Insurance Commissioner at the following address: Iowa Insurance Department, 330 Maple Street, Des Moines, Iowa 50319-0065.
- (12) **Louisiana:**  
**GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, **Cancellation By You**” is deleted and replaced by the following: **Cancellation By You** - **You** may cancel this Service Contract at any time. To cancel, **You** must submit a written request and return the Service Contract to the **Administrator**. If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date**, a 100% refund of the **Service Contract Price** will be made. All refunds will be paid to the Lienholder, if any, otherwise to **You**.
- (13) **Maryland:**  
The repair of a malfunction or defect covered under a mechanical repair contract shall include the cost of the teardown and diagnosing the malfunction or defect.
- GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, **Cancellation By You**” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within forty-five (45) days of return of this Service Contract to the **Administrator**. All refunds will be paid to the Lienholder if any, otherwise to **You**.
- (14) **Massachusetts:**  
The following wording is added: NOTICE TO CONTRACT HOLDER: THE COVERAGE YOU ARE BUYING IS NOT REQUIRED IN ORDER TO REGISTER OR FINANCE A VEHICLE. THE BENEFITS PROVIDED MAY DUPLICATE EXPRESS MANUFACTURER’S OR SELLER’S WARRANTIES THAT COME AUTOMATICALLY WITH EVERY SALE. YOU CAN BE REQUIRED BY THE SELLER OF THIS COVERAGE TO PURSUE THOSE WARRANTIES WHICH ARE AVAILABLE TO YOU WITHOUT THIS CONTRACT.
- (15) **Minnesota:**  
**GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, **Cancellation By You**” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within forty-five (45) days of return of this Service Contract to the **Administrator**. All refunds will be paid to the Lienholder if any, otherwise to **You**.
- (16) **Missouri:**  
**KEY TERMS** – “We”, “Us” and “Our” definition is amended to include: “Provider”. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, **Cancellation By You**” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void. **We** will also pay a ten percent (10%) penalty per month for the period that this refund has not been paid by the **Selling Dealer** or the **Administrator**, should the required refund not be paid within thirty (30) days of **Our** receipt of the canceled Service Contract. Should a penalty be due and owing, then **We** will pay it to the Lienholder, if any, otherwise to **You**. Cancellation by **You** will become effective as of the date the written notice of **Your** cancellation is received by **Us**. **We** will mail **You** written notice of **Our** receipt and resulting cancellation of **Your** Service Contract within fifteen (15) days of the date of cancellation. **GENERAL PROVISIONS** – Section 8 “Insurance” is amended to include: A claim against the **Provider** may also include a claim for return of the unearned **Provider** fee.

**(17) Nevada:**

**GENERAL PROVISIONS** – Section 1 “Service Contract Period” is amended to include: This Service Contract is not renewable. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Cancellation By You” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within forty-five (45) days of return of this Service Contract to the **Administrator**. All refunds will be paid to the Lienholder if any, otherwise to **You**. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Section “Cancellation By Us”” is amended to include: **Our** right to cancel for any reason is changed from ninety (90) days to seventy (70) days. **We** may only cancel this Service Contract after seventy (70) days for the following reasons: • If **You** do not pay the **Service Contract Price**; • If **You** are convicted of a crime that results in an increase in the risk covered under this Service Contract. • If there has been a material misrepresentation or fraud; or • If **We** discover an act or omission by **You**, or a violation by **You** of any terms or conditions of this Service Contract, after the **Service Contract Purchase Date**, that substantially and materially increases the risk covered under this Service Contract.

**(18) New Hampshire:**

**GENERAL PROVISIONS** – Section 8 “Insurance” is amended to include: If **You** are not satisfied with the insurance company’s response, **You** may contact the New Hampshire Department of Insurance, 21 Fruit Street, Concord, New Hampshire 03301, 1-603-271-2261.

**(19) New Mexico:**

**GENERAL PROVISIONS** – Section 1 “Service Contract Period” is amended to include: This Service Contract is not renewable. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Cancellation by You” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within sixty (60) days of return of this Service Contract to the **Administrator**. All refunds will be paid to the Lienholder if any, otherwise to **You**. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Cancellation by Us” is amended to include: **Our** right to cancel for any reason is changed from ninety (90) days to seventy (70) days. **We** may only cancel this Service Contract after seventy (70) days for the following reasons: • If **You** do not pay the **Service Contract Price**; • If **You** are convicted of a crime that results in an increase in the risk covered under this Service Contract; • If there has been a material misrepresentation or fraud; or • If **We** discover an act or omission by **You**, or a violation by **You** of any terms or conditions of this Service Contract, after the **Service Contract Purchase Date**, that substantially and materially increases the risk covered under this Service Contract.

**(20) New York:**

**GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Cancellation by You” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within thirty (30) days of return of this Service Contract to the **Administrator**. All refunds will be paid to the Lienholder if any, otherwise to **You**.

**(21) North Carolina:**

**GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Cancellation by Us” is amended to include: **We** may only cancel this Service Contract at any time for any of the reasons listed below: • If there has been a material misrepresentation or fraud; or • If **You** do not pay the **Service Contract Price**.

**(22) Oklahoma:**

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. Coverage afforded under this contract is not guaranteed by the Oklahoma Insurance Guaranty Association. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled - Including Refunds And Charges, Cancellation by You” is deleted and replaced by the following: Cancellation By You - In the event the contract is canceled by the warranty holder, return of premium shall be based upon ninety percent (90%) of the unearned pro-rata premium less the actual cost of any service provided under the service warranty contract. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled - Including Refunds And Charges, Cancellation by Us” is amended to include: In the event the contract is canceled by the association, return of premium shall be based upon one hundred percent (100%) of unearned pro-rata premium less the actual cost of any service provided under the service warranty contract. Oklahoma service warranty Statutes do not apply to commercial use references in service warranty contracts.

**(23) South Carolina:**

**GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Cancellation by You” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within forty-five (45) days of return of this Service Contract to the **Administrator**. All refunds will be paid to the Lienholder if any, otherwise to **You**. For questions regarding **Your** Service Contract **You** should contact **Our** Customer Service Department at (800) 356-9441 during regular business hours Monday thru Friday 9:00 A.M. to 5:00 P.M. EST or anytime by e-mail to OPERATIONS@PENNWARRANTYCORP.COM. To file a formal complaint under **Your** Service Contract call (800) 575-2749. In the event **You** do not receive satisfaction under this Contract, **You** may contact the South Carolina Department of Insurance Consumer Services Office at 803-737-6180 or in writing at South Carolina Department of Insurance P.O. Box 100105, Columbia, SC 29202-3105.

**(24) Texas:**

Unresolved complaints or questions concerning the regulation of service contracts may be directed to the Texas Department of Licensing and Regulation at P.O. Box 12157, Austin, TX 78711, 1-800-803-9202. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Cancellation By You” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within forty-five (45) days of return of this Service Contract to the **Administrator**. All refunds will be paid to the Lienholder if any, otherwise to **You**. If **Your** cancellation refund is not paid within forty-five (45) days after the Service Contract has been returned to the **Selling Dealer** or the **Administrator**, **You** may request a refund from Virginia Surety Company, Inc., 175 West Jackson Blvd., Chicago, Illinois 60604.

**(25) Utah:**

Coverage afforded under this Service Contract is not guaranteed by the Property and Casualty Guaranty Association. This Service Contract is subject to limited regulation by the Utah Insurance Department. To file a complaint, contact the Utah Insurance Department. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Cancellation By Us” is amended to include: **We** may cancel this Service Contract for any reason within sixty (60) days from the **Service Contract Purchase Date**. After sixty (60) days, **We** may cancel this Service Contract only for one or more of the following reasons: • For nonpayment of premium; • For material misrepresentation; • For substantial changes in the risk assumed, unless the insurer should reasonably have foreseen the change or contemplated the risk when entering into the contract; or • For substantial breaches in contractual duties, conditions or warranties. **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 premium] before **We** cancel this Contract. Such cancellation notice will be delivered or mailed by first class mail. If this Service Contract is financed and **Your Vehicle** is a total loss or is repossessed, **You** authorize **Your** Lien Holder (shown on the front of this Service Contract) to receive the refund. **YOUR RESPONSIBILITIES** – Filing a Claim. #8 is amended with the following: Failure to file within the time limit does not invalidate a claim if the Contract Holder shows it was not reasonably possible to file within the listed time limit (31A-21-312).

**(26) Wisconsin:**

THIS SERVICE CONTRACT IS SUBJECT TO LIMITED REGULATION BY THE OFFICE OF THE COMMISSIONER OF INSURANCE. **WHAT THIS SERVICE CONTRACT DOES NOT COVER** – is amended to include: Exclusion #2 is deleted in its entirety. **YOUR RESPONSIBILITIES** – Filing a Claim. #4. Prior Approval is amended to include: **Failure to obtain authorization prior to having repairs made may jeopardize Coverage under this Contract, except as provided under Emergency Repairs. YOUR RESPONSIBILITIES** – Filing a Claim. #8 is amended to include the following: **The 180 days time limit for reimbursement does not apply. All repair orders and documentation must be submitted to the Administrator as soon as reasonably possible. GENERAL PROVISIONS** – Section 5 “Subrogation” is amended to include: **You** will be made whole before **We** retain any amount **We** may recover. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Cancellation By You” is deleted in its entirety and replaced by the following: Cancellation By You - **You** may cancel this Service Contract at any time. To cancel, **You** must submit a written request and return the Service Contract to the **Administrator**. If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date**, a 100% refund of the **Service Contract Price** will be made. All refunds will be paid to the Lienholder if any, otherwise to **You**. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Section “Cancellation By Us”” is amended to include: **Our** right to cancel for any reason is changed from ninety (90) days to sixty (60) days.

**(27) Wyoming:**

**GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Cancellation By You” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within forty-five (45) days of return of this Service Contract to the **Administrator**. The sentence “All refunds will be paid to the Lienholder if any, otherwise to **You**.” is revised to read as “All refunds will be made payable to the Lienholder and **You**”.





# The Penn Warranty Corporation

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## STANDARD CONTRACT - FULLY INSURED - UNLIMITED MILEAGE

VEHICLE SALE DATE _____	VIN _____
VEHICLE YEAR _____	MILEAGE _____
VEHICLE MAKE _____	VEHICLE PRICE _____
VEHICLE MODEL _____	CONTRACT PRICE _____
OWNER NAME _____	ADDRESS _____
PRIMARY PHONE _____	CITY _____
SECONDARY PHONE _____	STATE _____ ZIP _____
DEALER NAME _____	LIEN HOLDER _____
PRIMARY PHONE _____	PRIMARY PHONE _____
SECONDARY PHONE _____	ADDRESS _____
SALESPERSON NAME _____	CITY _____ STATE _____ ZIP _____
<b>I have read and fully understood the terms of this contract.</b>	
CUSTOMER SIGNATURE: <b>X</b> _____ DATE ____/____/____	

- 3 MONTHS    
  6 MONTHS    
  12 MONTHS    
  24 MONTHS    
  36 MONTHS    
  48 MONTHS

### MECHANICAL REPAIR SERVICE CONTRACT

This agreement describes the coverage **You** will have under **Your** Mechanical Repair Service Contract (hereafter referred to as "Service Contract"). In return for payment by **You** of the **Service Contract Price** and subject to all the terms of this Service Contract, **We** agree with **You** as follows:

#### I. WHAT THIS SERVICE CONTRACT COVERS

**Coverage** - During the Service Contract Period **We** will pay a **Repair Facility**, or at **Our** option, reimburse **You** the **Cost** to remedy any **Breakdown** of the parts listed below, less **Per Occurrence**. Parts not listed are not covered by this Service Contract.\*

**At the Administrator's option, replacement parts used in covered repairs may include new, remanufactured, used or non-original equipment manufactured parts. All parts will conform to manufacturer's specifications.**

**1. ENGINE** - Cylinder block, cylinder heads, and all internal parts including: pistons, piston pins, piston rings, connecting rods, connecting rod bearings, crankshaft and main bearings, camshaft and lifters/followers (lifters or followers which have not failed, and only require cleaning are not covered), intake and exhaust valves, push rods, rocker arm shafts, rocker arms, timing drive components including timing chains/belts (timing chain or belt which is being changed as part of the manufacturer's preventive maintenance schedule, is not covered). Valve train covers, intake and exhaust manifolds, flywheel, oil pump, and oil pan. Internal engine sensors. Cylinder head gaskets and intake manifold gaskets are covered for coolant leaks only.

**2. AUTOMATIC TRANSMISSION** - Case and all internal parts including: planetary gear systems, clutch and steel packs, clutch drums, bands, internal seals, pump, valve body, internal sensors and internal solenoids, and overrunning or one way clutch assemblies. Torque converter and the torque converter housing.

**3. STANDARD TRANSMISSION** - Case and all internal parts, including: input shaft, output shaft, idler shafts, main shaft, all internal gears, shift forks, and synchronizer assemblies. Any internal solenoids or sensors. Standard transmission clutch assemblies, linkages, and hydraulic clutch units are not covered.

**4. DIFFERENTIAL** - Front or rear differential housing and all internal parts. Drive shaft, universal joints, and front axle joints. Transfer case on four wheel drive vehicles and all internal parts.

**5. COOLING SYSTEM** - Fan and fan clutch. Electric radiator fan motor, water pump.

**6. STEERING** - Steering gear, rack and pinion assembly, and all internal parts. Power steering cooler and lines.

**7. SUSPENSION** - Front or rear springs which are broken or worn beyond manufacturer's specifications. Control arms and ball joints.

**8. BRAKES** - All brake components, including all components of the anti-lock brake system including: wheel cylinders, front or rear calipers, brake springs, pins, and hardware kits, wheel speed sensors (sensors damaged by bad wheel bearings are not covered), brake hoses, brake lines, brake combination or proportioning valves, master cylinder, ABS pump, ABS module, ABS hydraulic unit, ABS hydraulic control unit, and ABS accumulator. Brake linings, pads, rotors and drums are NOT covered.

**9. ELECTRICAL** - Alternator, voltage regulator, windshield wiper motor and starter motor, power window motors, power seat motors, and power door lock actuators.

**10. RENTAL CAR** - Twenty five dollars (\$25.00) per eight hours of authorized flat rate time to repair or replace a covered component with a maximum of two hundred and fifty dollars (\$250.00). Any delays caused by unavailability of parts, shipping of parts, repair facility scheduling, or any other delays do not qualify for rental reimbursement.

**11. TOWING** - If your vehicle must be towed because a covered component has failed, towing to the nearest qualified repair facility is covered up to a maximum of fifty dollars (\$50.00).

**12. LABOR** - Labor charges are based on industry accepted flat rate time to repair or replace a covered component up to sixty-five dollars (\$65.00) per hour.

**Only the components listed in the above systems are covered by this Service Contract. No other components, other than those listed above under "What This Service Contract Covers", are covered by this Service Contract.**

#### II. KEY TERMS - When used, Key Terms will appear in bold print.

**"Vehicle"** means the covered car or truck shown on the front of this Service Contract.

**"You"** and **"Your"** mean the customer (private individual) shown on the front of this Service Contract, or an eligible person to whom this Service Contract has been properly transferred.

**"We"**, **"Us"** and **"Our"** mean the obligor of this Service Contract: Penn Warranty Corporation, Hanover Industrial Estates, 1081 Hanover Street, Wilkes-Barre, PA 18706, 1-800-356-9441; Fax: (570) 270-3365; www.pennwarrantycorp.com.

**"Administrator"** means the company that provides, administrative services for this Service Contract: Penn Warranty Corporation, Hanover Industrial Estates, 1081 Hanover Street, Wilkes-Barre, PA 18706, 1-800-356-9441; Fax: (570) 270-3365; www.pennwarrantycorp.com.

**"Breakdown"** means the failure of any original or like replacement part covered by this Service Contract to perform its intended function(s) in normal service, including worn beyond service limits, providing it has received all scheduled maintenance as recommended by the manufacturer in the Owners Manual.

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

**At the Administrator's option, replacement parts used in covered repairs may include new, remanufactured, used or non-original equipment manufactured parts. All parts will conform to manufacturer's specifications.**

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

**"Per Occurrence"** means the amount **You** must pay for covered repairs per visit. The standard **Per Occurrence** is \$100. If **Your Cost** is a **Warranty Per Occurrence** charge imposed by the manufacturer, this Service Contract will pay the manufacturer's **Per Occurrence**.

**"Months"** means the number of **Months** shown on the front of this Service Contract.

**"Service Contract Price"** means the amount **You** paid for this Service Contract shown on the front of this Service Contract.

**"Service Contract Purchase Date"** means the date **You** purchased this Service Contract.

**"Repair Facility"** means a franchised dealer or licensed **Repair Facility**. Repairs performed by any facility must receive authorization from the **Administrator** prior to beginning repairs.

**"Selling Dealer"** means the dealer from whom **You** purchased this Service Contract shown on the front of this Service Contract.

### III. WHAT THIS SERVICE CONTRACT DOES NOT COVER

MAINTENANCE AND PARTS NOT COVERED: THE MAINTENANCE SERVICES AND PARTS DESCRIBED UNDER MAINTENANCE REQUIREMENTS AS SHOWN IN THIS SERVICE CONTRACT OR IN THE MANUFACTURER'S MAINTENANCE SCHEDULE FOR YOUR VEHICLE.

IN ADDITION, WE WILL NOT PAY BENEFITS:

1. FOR COSTS COVERED BY ANY WARRANTY OF THE MANUFACTURER, STATE REQUIRED WARRANTY, DEALER WARRANTY, INSURANCE POLICY, REPAIR FACILITY'S GUARANTEE, OR ANY OTHER GUARANTEE REGARDLESS OF WHETHER THEY HONOR SUCH WARRANTY OR GUARANTEE.
2. WHEN REPAIRS ARE PERFORMED WITHOUT THE ADMINISTRATOR'S PRIOR AUTHORIZATION.
3. FOR A BREAKDOWN CAUSED BY OR INVOLVING COLLISION, FIRE, THEFT, CONDITIONS OF THE ENVIRONMENT, DAMAGE THAT RESULTS FROM SOMEONE ALTERING THE VEHICLE, MISUSING THE VEHICLE, TAMPERING WITH THE VEHICLE, MAKING IMPROPER ADJUSTMENTS, IMPROPER FUELS, IMPROPERLY MAINTAINING THE VEHICLE, FAILING TO MAINTAIN THE VEHICLE WITHIN MANUFACTURER'S RECOMMENDATIONS, DAMAGE OR FAILURE OF A COVERED COMPONENT CAUSED BY AN NON-COVERED COMPONENT, AND PREVIOUS OR IMPROPER REPAIRS.
4. FOR LOSS OF TIME, ECONOMIC LOSS, INCONVENIENCE, LODGING, FOOD, FREIGHT CHARGES, CORE CHARGES, STORAGE CHARGES, OR OTHER CONSEQUENTIAL LOSS OR DAMAGE THAT RESULTED FROM A BREAKDOWN.
5. FOR A BREAKDOWN WHEN CONTAMINATED OR POOR QUALITY FLUIDS, FUELS, LUBRICANTS OR GREASE CAUSED OR CONTRIBUTED TO THE BREAKDOWN.
6. FOR FLUID LEAKS OR DAMAGE THAT RESULTS FROM FLUID LEAKS.
7. FOR ANY BREAKDOWN CAUSED BY CONTAMINATION, OVERHEATING, LACK OF COOLANT OR LUBRICANTS.
8. FOR A BREAKDOWN CAUSED BY OR INVOLVING MODIFICATIONS UNLESS THOSE MODIFICATIONS WERE PERFORMED BY THE MANUFACTURER (E.G. OVERSIZED TIRES, LIFT KIT, AFTERMARKET PERFORMANCE PARTS OR SYSTEMS).
9. FOR A BREAKDOWN CAUSED BY ABUSE, MISUSE, ALTERATIONS OR LACK OF CUSTOMARY MAINTENANCE AS RECOMMENDED IN SERVICE CONTRACT SECTION IV A. MAINTENANCE REQUIREMENTS AND/OR IN THE MANUFACTURER'S MAINTENANCE SCHEDULE FOR YOUR VEHICLE.
10. FOR A BREAKDOWN OF A COVERED PART RESULTING FROM THE FAILURE OF A NON-COVERED PART.
11. FOR A BREAKDOWN CAUSED BY OR INVOLVING EQUIPMENT, COMPONENTS OR SYSTEMS NOT INSTALLED BY THE MANUFACTURER.
12. IF YOUR VEHICLE'S ODOMETER HAS BEEN STOPPED, ALTERED OR MISREPRESENTS YOUR VEHICLE'S ACTUAL MILEAGE, WHEREBY THIS CONTRACT WILL BE CONSIDERED VOIDED
13. SEALS AND GASKETS ARE NOT COVERED BY THIS SERVICE CONTRACT UNLESS REQUIRED IN CONJUNCTION WITH A COVERED REPAIR.
14. FOR A BREAKDOWN THAT IS A DIRECT RESULT OF A MECHANICAL OR STRUCTURAL DEFECT WHEN THE MANUFACTURER HAS ANNOUNCED A PUBLIC RECALL FOR THE PURPOSE OF CORRECTING SUCH A DEFECT.
15. FOR ADDITIONAL LOSS OR DAMAGE WHICH IS OCCASIONED BY YOU OR OPERATOR'S FAILURE TO USE ALL REASONABLE PRECAUTIONS TO PROTECT THE VEHICLE FROM ANY FURTHER LOSS OR DAMAGE AFTER A BREAKDOWN OR FAILURE HAS OCCURRED OR BEEN INDICATED.
16. FOR A MECHANICAL BREAKDOWN WHICH EXISTED PRIOR TO, OR WAS CAUSED BY A CONDITION WHICH EXISTED PRIOR TO THE SERVICE CONTRACT PURCHASE DATE.
17. IF YOUR VEHICLE HAD BEEN DECLARED A TOTAL LOSS, SALVAGED OR JUNK VEHICLE.
18. FOR EXPENSES CHARGED FOR DISPOSAL OF ENVIRONMENTALLY UNSAFE MATERIALS.
19. FOR EXPENSES CHARGED FOR NON-SPECIFIC MATERIALS OR SHOP SUPPLIES.
20. IF YOUR VEHICLE WAS MANUFACTURED AS A NON-U.S. SPECIFICATION MODEL.
21. FOR A BREAKDOWN CAUSED BY TOWING A TRAILER OR ANOTHER VEHICLE UNLESS YOUR VEHICLE IS EQUIPPED FOR THIS AS RECOMMENDED BY THE MANUFACTURER.
22. FOR A BREAKDOWN CAUSED BY USING YOUR VEHICLE FOR RACING OR OTHER COMPETITION.
23. IF YOUR VEHICLE HAS BEEN MODIFIED TO PLOW SNOW, WHETHER THE SNOW PLOW BLADE IS ATTACHED TO THE VEHICLE OR NOT.
24. FOR A BREAKDOWN CAUSED BY RUST OR WEATHER RELATED CORROSION.
25. IF YOUR VEHICLE IS USED FOR COMMERCIAL PURPOSES. EXAMPLES OF COMMERCIAL USE INCLUDE BUT ARE NOT LIMITED TO: TAXI, POLICE CAR OR OTHER EMERGENCY VEHICLE, HAULING, CONSTRUCTION (OTHER THAN DRIVING TO AND FROM WORK), PICKUP AND DELIVERY SERVICE, DAILY RENTALS, CARRY PASSENGERS FOR HIRE, SNOWPLOWING AND COMPANY POOL USE OR BUSINESS TRAVEL WHEN THE VEHICLE IS USED BY MORE THAN ONE DRIVER.
26. IF YOUR VEHICLE IS AN EXOTIC VEHICLE OR IS A TRUCK RATED MORE THAN 1 TON.
27. FOR REPAIRS MADE SOLELY TO MEET OR MAINTAIN ANY GOVERNMENTAL EMISSION STANDARDS.
28. DAMAGE CAUSED TO YOUR ENGINE, TRANSMISSION, TRANSFER CASE OR AXLE ASSEMBLY RESULTING FROM WATER INGESTION.
29. FOR REPAIRS OF WATER AND AIR LEAKS, RATTLES, SQUEAKS AND WIND NOISE.

### IV. YOUR RESPONSIBILITIES

**A. Maintenance Requirements and Service History** - In order to keep Your Service Contract valid, You must follow the maintenance procedures listed below. If Your failure to follow these procedures causes a Breakdown, You may be denied coverage.

Your Vehicle must be serviced receiving all scheduled maintenance as recommended by the Manufacturer in the Owners Manual.

You must keep receipts which verify the Vehicle Identification Number and all repair orders/maintenance records issued by the Selling Dealer/Repair Facility performing the required services on Your Vehicle. Repair order/maintenance records must include the date, a description of Your Vehicle, mileage and list in detail each of the services performed and maintenance parts replaced. We may require You to furnish the Administrator with proof that the specified services have been performed. Failure to show proof of servicing may result in denial of coverage.

**B. Filing a Claim** - If Your Vehicle incurs a Breakdown, You must take the following steps to file a claim:

1. **Prevent Further Damage** – Take immediate action to protect Your Vehicle from further damage. Your Contract will not cover the damage caused by not securing a timely repair when a Breakdown has occurred. You are responsible for observing Your Vehicle warning lights and gauges, and taking appropriate action immediately to prevent further damage. Failure to do so may result in the denial or the limitation of Coverage.
2. **Take Your Vehicle to any licensed Repair Facility.** Your Vehicle must be at a Repair Facility for a claim to be opened. If You need assistance in locating a Repair Facility, contact the Administrator at 1-800-356-9441.
3. **Provide Repair Facility with a copy of Your Contract and/or Your Contract Number.**
4. **Prior Approval** – Prior to any repair being made, have the Repair Facility to contact the Administrator with the estimate of repairs containing both parts and labor, and to obtain an authorization for the claim. The Administrator can be contacted Monday through Friday, 9:00 a.m. to 5:00 p.m. at 1-800-356-9441. Emergency repairs, done outside of working hours, may be submitted to Customer Service with a letter of explanation for payment consideration. If it is determined that a covered component has failed and the estimate for the repair is agreed upon by our adjuster, an authorization number will be issued by the Administrator. The amount authorized by the Administrator is the maximum amount that will be paid for repairs covered under the terms of this Contract. No repairs are to be made on Your Vehicle until an authorization number is issued by the Administrator. Any claim for repairs without prior authorization will not be covered.
5. **Authorize Tear-Down** - Authorize the Repair Facility to perform necessary diagnostic work and provide "teardown" authorization so that the Repair Facility can provide accurate diagnosis and estimate of repairs.
6. **Allow the Administrator to inspect Your Vehicle prior to any repairs being made.**
7. **After investigating Your Vehicle's component failure, in case of a discrepancy in findings, the Administrator reserves the right to have repairs done at a location other than the one you have selected.**
8. **Payment of Claims** - To obtain payment for a covered repair You, or the Repair Facility must submit a legible copy or original repair order to the Administrator. Repair orders must be readable and understandable, and contain the following information: Repair Facility name, address and phone number, Your name, address and phone number, repair diagnosis, parts and labor hours, authorization number, vehicle identification number, vehicle mileage, year, make and model. Authorization number issued by the Administrator must appear on all receipts submitted for reimbursement. No invoices will be processed without a valid authorization number. Once authorization is obtained, and the repair is completed, all repair orders and documentation must be submitted to the Administrator within 180 days to be eligible for payment.

### V. GENERAL PROVISIONS

**1. Service Contract Period** - The term of this Service Contract is the **Months** as shown on the Service Contract. The term begins on the **Service Contract Purchase Date** as shown on the Service Contract. The term ends when the **Months** from the **Service Contract Purchase Date** is reached.

**2. When And Where You Are Covered** - This Service Contract applies only to **Breakdowns** occurring within the contract period in the continental United States of America, Alaska, and Hawaii.

**3. If You Have Other Coverage** - If the manufacturer or **Repair Facility** agrees to cover all or some of the **Cost** of a **Breakdown** after a **Warranty** or guarantee has expired, **We** will pay only for any extra **Cost** subject to the limits of this Service Contract.

**4. Limit of Liability** - Our limit of liability is the **Cost** to repair or replace any covered **Breakdown**. Our maximum liability per repair shall not exceed two thousand dollars (\$2,000). The total of all benefits payable for the term of the Service Contract shall not exceed the original **Vehicle** purchase price as shown in the Service Contract.

**5. Subrogation** - If **We** pay for a loss, **We** may require **You** to assign to **Us** Your rights of recovery against others. **We** will not pay for a loss if **You** impair these rights to recover. Your rights to recover from others may not be waived.

**6. How This Service Contract May Be Transferred** - This used vehicle service contract is transferable to subsequent owners. The charge to transfer is one hundred dollars (\$100.00). The transferred service contract will remain in effect for the remainder of the original coverage period. Without a transfer to the new owner, this contract is terminated at the time of sale or when the contract holder no longer owns the vehicle.

**7. How This Service Contract May Be Canceled - Including Refunds And Charges**  
**Cancellation By You** - You may cancel this Service Contract at any time. To cancel, You must submit a written request and return the Service Contract to the Administrator. If You cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date**, a 100% refund of the **Service Contract Price** will be made, less any claims paid. All refunds will be paid to the Lienholder, if any, otherwise to You.

**Cancellation By Us** - We may cancel this Service Contract for any reason within ninety (90) days of the **Service Contract Purchase Date** or any time with just cause (unless otherwise as indicated by Your state, within the State Amendment section), including:  
 • If there has been a material misrepresentation or fraud; • If **You** have failed to maintain **Your Vehicle** as prescribed by the manufacturer. • If **Your Vehicle's** odometer is inoperative, inaccurate, or has been altered and **You** have failed to repair the odometer; • If **You** do not pay the **Service Contract Price**. • If **You** use **Your Vehicle** in any manner not covered by this Service Contract; or • If **Your Vehicle** has a salvage title.

If **We** cancel this Service Contract, **We** will mail **You** written notice prior to cancellation. A pro-rata refund of the unused **Months** will be made. The pro-rata refund will be calculated by multiplying the **Service Contract Price** by the percentage of the unused **Months** compared to the total **Months** of **Your** Service Contract Period. All refunds will be paid to the Lienholder if any, otherwise to **You**.

**Cancellation By Lienholder** - If this Service Contract is financed, the Lienholder (shown on the front of the Service Contract) may cancel the Service Contract in the event **You** default in **Your** obligation to such Lienholder or in the event **Your Vehicle** is declared a total loss or is repossessed.

**8. Insurance** - Our obligations under this Service Contract are insured under an Insurance Policy issued by Virginia Surety Company, Inc., 175 West Jackson Blvd., Chicago, Illinois 60604. In the event **We** cease to operate, are bankrupt or **Your** claim is not paid within sixty (60) days after proof of loss has been filed, **You** may file a direct claim with Virginia Surety Company, Inc. To do so, please call the following toll-free number for instructions: 1-800-209-6206.

**9. Entire Service Contract** - This Service Contract represents the entire agreement between **You** and **Us**. No person has the authority to change this Service Contract or to waive any of its provisions. No other written or oral statements apply to this Service Contract.

**VI. STATE AMENDMENTS**

This Service Contract is amended to comply with the following state requirements:

- (1) **Alabama:**  
**GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, **Cancellation By You**” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within forty-five (45) days of return of this Service Contract to the **Administrator**.
- (2) **Alaska:**  
**WHAT THIS SERVICE CONTRACT DOES NOT COVER** – is amended to include: Exclusion #23. is revised to read as, “IF YOUR VEHICLE HAS BEEN MODIFIED TO PLOW SNOW, WHETHER THE SNOW PLOW BLADE IS ATTACHED TO THE VEHICLE OR NOT, UNLESS YOUR VEHICLE IS PROPERLY EQUIPPED FOR SUCH USE AND IS NOT USED COMMERCIALY.” Exclusion 4. is amended as follows: Any reference to ‘CONSEQUENTIAL DAMAGE’ within this exclusion is deleted.
- (3) **Arizona:**  
**WHAT THIS SERVICE CONTRACT DOES NOT COVER** – is amended to include: Exclusion #2 is revised to read, “WHEN REPAIRS ARE PERFORMED WITHOUT THE ADMINISTRATOR’S PRIOR AUTHORIZATION, EXCEPT WHEN THE ADMINISTRATOR’S OFFICE IS CLOSED AND EMERGENCY REPAIRS ARE NECESSARY.” (SEE SERVICE CONTRACT SECTION IV. YOUR RESPONSIBILITIES. B. FILING A CLAIM #4. PRIOR APPROVAL). Exclusion #8 is revised to read, “FOR A BREAKDOWN CAUSED BY OR INVOLVING MODIFICATIONS UNLESS THOSE MODIFICATIONS WERE PERFORMED BY THE MANUFACTURER AND THE MODIFICATIONS MEET THE MANUFACTURER’S SPECIFICATIONS, WHILE THE VEHICLE IS OWNED BY YOU (E.G. OVERSIZED TIRES, LIFT KIT, AFTERMARKET PERFORMANCE PARTS OR SYSTEMS). Exclusions #7, 9, 11, 12, 21,22, 23, 25 and 28 are amended to include: “WHILE THE VEHICLE IS OWNED BY YOU.” Exclusions #16, 17, and 20 are deleted in their entirety. Exclusion #26 is revised to read as: **IF YOUR VEHICLE IS AN EXOTIC VEHICLE. YOUR RESPONSIBILITIES** - Section B – Filing a Claim #4. Prior Approval – is amended to read as: ‘.....Any claim for repairs without prior authorization will not be covered, except when the Administrator’s office is closed and emergency repairs are necessary.’ **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, **Cancellation By You**” is deleted in its entirety and replaced by the following: **Cancellation By You** - **You** may cancel this Service Contract at any time. To cancel, **You** must submit a written request and return the Service Contract to the **Administrator**. If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date**, a 100% refund of the **Service Contract Price** will be made. All refunds will be paid to the Lienholder if any, otherwise to **You**. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, **Cancellation By Us**” is amended to include: **We** may cancel this Service Contract at any time for the following reasons: • If there has been a material misrepresentation or fraud; • If **You** have failed to maintain **Your Vehicle** as prescribed by the manufacturer • If, while owned by **You**, **Your Vehicle’s** odometer is inoperative, inaccurate, or has been altered and **You** have failed to repair the odometer; • If **You** do not pay the **Service Contract Price**.
- (4) **Colorado:**  
**GENERAL PROVISIONS** – Section 8 “Insurance” is amended to include: Insurance Policy #2631.
- (5) **Connecticut:**  
The coverage afforded by this Service Contract is still available should the Service Contract Period lapse while **Your Vehicle** is in the custody of a **Repair Facility** for a covered repair.
- Dispute Resolution:  
Regulations of Connecticut State Agencies §42-260-1 through §42-260-5, establish requirements for all extended warranty providers marketing “extended warranties” in Connecticut. Regulations establish an arbitration process to settle disputes between extended warranty providers and buyers arising from extended warranty contracts. Extended warranty providers must include notice of the arbitration process in their “Extended Warranty.” A “Resolution of Disputes” section shall advise the buyer that a written complaint may be mailed to: State of Connecticut, Insurance Department, P.O. Box 816, Hartford, CT 06142-0816, Attn. Consumer Affairs. The written complaint must contain a description of the dispute, the purchase or lease price of the product, the cost of repair of the product and a copy of the warranty contract.
- (6) **Georgia:**  
**WHAT THIS SERVICE CONTRACT DOES NOT COVER** – is amended to include: Exclusion #8 is revised to include the following: ‘MADE SUBSEQUENT TO THE PURCHASE OF THIS SERVICE CONTRACT’. Exclusion #12 is revised to read as, “IF, WHILE OWNED BY YOU, YOUR VEHICLE’S ODOMETER HAS BEEN STOPPED, ALTERED OR MISREPRESENTS YOUR VEHICLE’S ACTUAL MILEAGE.” Exclusion #16 is deleted in its entirety. Exclusion #25 is revised to read as, “IF YOUR VEHICLE IS USED FOR COMMERCIAL PURPOSES, EXAMPLES OF COMMERCIAL USE INCLUDE BUT ARE NOT LIMITED TO: TAXI, POLICE CAR OR OTHER EMERGENCY VEHICLE, HAULING, CONTRCUTION (OTHER THAN DRIVING TO AND FROM WORK), PICK UP SERVICE, DAILY RENTALS, CARRY PASSENGERS FOR HIRE, SNOWPLOWING AND COMPANY POOL USE OR BUSINESS TRAVEL WHEN THE VEHICLE IS USED BY MORE THEN ONE DRIVER. **YOUR RESPONSIBILITIES** – Section B. Filing a Claim #5. Authorize Tear-Down is deleted in its entirety. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges” is deleted in its entirety and replaced by the following: **9. How This Service Contract May Be Canceled – Including Refunds And Charges: Cancellation By You** - **You** may cancel this Service Contract at any time. To cancel, **You** must submit a written request and return the Service Contract to the **Administrator**. If **You** cancel this Service Contract, **You** will receive 100% of the unearned pro-rata **Service Contract Price**. All refunds will be paid to the Lienholder if any, otherwise to **You**. **Cancellation By Us** - **We** may cancel this **Service Contract**: • In the event of fraud; • In the event of material misrepresentation; or • If **You** do not pay the **Service Contract Price**. If **We** cancel this Service Contract, **We** will mail **You** written notice: • At least ten (10) days prior to the effective date of cancellation if **You** do not pay the **Service Contract Price**; or • At least thirty (30) days prior to the effective date of cancellation for fraud or material misrepresentation. If **We** cancel this Service Contract, **You** will receive 100% of the unearned pro-rata **Service Contract Price**. All refunds will be paid to the Lienholder if any, otherwise to **You**. If this Service Contract is financed and **Your Vehicle** is a total loss or is repossessed, **You** authorize **Your** Lien Holder (shown on the front of the Service Contract) to cancel this Service Contract and receive the refund. However, the Lien Holder must hold a power of attorney in order to cancel the Service Contract due to **Your** default in **Your** obligation to such Lien Holder. Should **We** fail to refund the unearned consideration, **You** have the right to receive the refund directly from Virginia Surety Company, Inc.
- (7) **Hawaii:**  
**GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, **Cancellation By You**” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within forty-five (45) days of return of this Service Contract to the **Administrator**.
- (8) **Idaho:**  
Coverage afforded under this Service Contract is not guaranteed by the Idaho Insurance Guarantee Association.
- (9) **Illinois:**  
**KEY TERMS** - “Breakdown” shall include failures of covered parts through normal wear and tear. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, **Cancellation By You**” is amended to include the following: (215 ILCS 152/35) Sec. 35. Cancellation and refunds. No service contract may be issued, sold, or offered for sale in this State unless the service contract clearly states that the service contract holder is allowed to cancel the service contract. If the service contract holder elects cancellation, the service contract provider may retain a cancellation fee not to exceed the lesser of 10% of the service contract price or \$50. The service contract cancellation provision must provide that the service contract may be cancelled:  
(1) within 30 days after its purchase if no service has been provided and that a full refund of the service contract consideration, less any cancellation fee stated in the service contract will be paid to the service contract holder; or  
(2) at any other time and a pro rata refund of the service contract consideration for the unexpired term of the service contract, based on the number of elapsed months, miles, hours, or such other reasonably applicable measure which is clearly disclosed in the service contract, less the value of any service received, and any cancellation fee stated in the service contract will be paid to the service contract holder.
- (10) **Indiana:**  
**Your** proof of payment to the issuing dealer for this Service Contract shall be considered proof of payment to the insurance company, which guarantees **Our** obligation to **You**, providing such insurance was in effect at the time **You** purchased this Service Contract.
- (11) **Iowa:**  
**WHAT THIS SERVICE CONTRACT COVERS** – is amended to include: Used parts will not be used to replace covered parts without prior written authorization from **You**. Rebuilt parts will not be used to replace covered parts unless the parts are rebuilt according to national standards recognized by the Insurance Division. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, **Cancellation By You**” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within thirty (30) days of return of this Service Contract to the **Administrator**. All refunds will be paid by the **Selling Dealer** to the Lienholder if any, otherwise to **You**. If **You** have questions regarding **Your** Service Contract, **You** may address them to the Iowa Insurance Commissioner at the following address: Iowa Insurance Department, 330 Maple Street, Des Moines, Iowa 50319-0065.
- (12) **Louisiana:**  
**GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, **Cancellation By You**” is deleted and replaced by the following: **Cancellation By You** - **You** may cancel this Service Contract at any time. To cancel, **You** must submit a written request and return the Service Contract to the **Administrator**. If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date**, a 100% refund of the **Service Contract Price** will be made. All refunds will be paid to the Lienholder, if any, otherwise to **You**.
- (13) **Maryland:**  
The repair of a malfunction or defect covered under a mechanical repair contract shall include the cost of the teardown and diagnosing the malfunction or defect.
- GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, **Cancellation By You**” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within forty-five (45) days of return of this Service Contract to the **Administrator**. All refunds will be paid to the Lienholder if any, otherwise to **You**.
- (14) **Massachusetts:**  
The following wording is added: NOTICE TO CONTRACT HOLDER: THE COVERAGE YOU ARE BUYING IS NOT REQUIRED IN ORDER TO REGISTER OR FINANCE A VEHICLE. THE BENEFITS PROVIDED MAY DUPLICATE EXPRESS MANUFACTURER’S OR SELLER’S WARRANTIES THAT COME AUTOMATICALLY WITH EVERY SALE. YOU CAN BE REQUIRED BY THE SELLER OF THIS COVERAGE TO PURSUE THOSE WARRANTIES WHICH ARE AVAILABLE TO YOU WITHOUT THIS CONTRACT.
- (15) **Minnesota:**  
**GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, **Cancellation By You**” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within forty-five (45) days of return of this Service Contract to the **Administrator**. All refunds will be paid to the Lienholder if any, otherwise to **You**.
- (16) **Missouri:**  
**KEY TERMS** – “We”, “Us” and “Our” definition is amended to include: “Provider”. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, **Cancellation By You**” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void. **We** will also pay a ten percent (10%) penalty per month for the period that this refund has not been paid by the **Selling Dealer** or the **Administrator**, should the required refund not be paid within thirty (30) days of **Our** receipt of the canceled Service Contract. Should a penalty be due and owing, then **We** will pay it to the Lienholder, if any, otherwise to **You**. Cancellation by **You** will become effective as of the date the written notice of **Your** cancellation is received by **Us**. **We** will mail **You** written notice of **Our** receipt and resulting cancellation of **Your** Service Contract within fifteen (15) days of the date of cancellation. **GENERAL PROVISIONS** – Section 8 “Insurance” is amended to include: A claim against the **Provider** may also include a claim for return of the unearned **Provider** fee.

**(17) Nevada:**

**GENERAL PROVISIONS** – Section 1 “Service Contract Period” is amended to include: This Service Contract is not renewable. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Cancellation By You” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within forty-five (45) days of return of this Service Contract to the **Administrator**. All refunds will be paid to the Lienholder if any, otherwise to **You**. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Section “Cancellation By Us”” is amended to include: **Our** right to cancel for any reason is changed from ninety (90) days to seventy (70) days. **We** may only cancel this Service Contract after seventy (70) days for the following reasons: • If **You** do not pay the **Service Contract Price**; • If **You** are convicted of a crime that results in an increase in the risk covered under this Service Contract. • If there has been a material misrepresentation or fraud; or • If **We** discover an act or omission by **You**, or a violation by **You** of any terms or conditions of this Service Contract, after the **Service Contract Purchase Date**, that substantially and materially increases the risk covered under this Service Contract.

**(18) New Hampshire:**

**GENERAL PROVISIONS** – Section 8 “Insurance” is amended to include: If **You** are not satisfied with the insurance company’s response, **You** may contact the New Hampshire Department of Insurance, 21 Fruit Street, Concord, New Hampshire 03301, 1-603-271-2261.

**(19) New Mexico:**

**GENERAL PROVISIONS** – Section 1 “Service Contract Period” is amended to include: This Service Contract is not renewable. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Cancellation by You” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within sixty (60) days of return of this Service Contract to the **Administrator**. All refunds will be paid to the Lienholder if any, otherwise to **You**. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Cancellation by Us” is amended to include: **Our** right to cancel for any reason is changed from ninety (90) days to seventy (70) days. **We** may only cancel this Service Contract after seventy (70) days for the following reasons: • If **You** do not pay the **Service Contract Price**; • If **You** are convicted of a crime that results in an increase in the risk covered under this Service Contract; • If there has been a material misrepresentation or fraud; or • If **We** discover an act or omission by **You**, or a violation by **You** of any terms or conditions of this Service Contract, after the **Service Contract Purchase Date**, that substantially and materially increases the risk covered under this Service Contract.

**(20) New York:**

**GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Cancellation by You” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within thirty (30) days of return of this Service Contract to the **Administrator**. All refunds will be paid to the Lienholder if any, otherwise to **You**.

**(21) North Carolina:**

**GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Cancellation by Us” is amended to include: **We** may only cancel this Service Contract at any time for any of the reasons listed below: • If there has been a material misrepresentation or fraud; or • If **You** do not pay the **Service Contract Price**.

**(22) Oklahoma:**

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. Coverage afforded under this contract is not guaranteed by the Oklahoma Insurance Guaranty Association. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled - Including Refunds And Charges, Cancellation by You” is deleted and replaced by the following: Cancellation By You - In the event the contract is canceled by the warranty holder, return of premium shall be based upon ninety percent (90%) of the unearned pro-rata premium less the actual cost of any service provided under the service warranty contract. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled - Including Refunds And Charges, Cancellation by Us” is amended to include: In the event the contract is canceled by the association, return of premium shall be based upon one hundred percent (100%) of unearned pro-rata premium less the actual cost of any service provided under the service warranty contract. Oklahoma service warranty Statutes do not apply to commercial use references in service warranty contracts.

**(23) South Carolina:**

**GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Cancellation by You” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within forty-five (45) days of return of this Service Contract to the **Administrator**. All refunds will be paid to the Lienholder if any, otherwise to **You**. For questions regarding **Your** Service Contract **You** should contact **Our** Customer Service Department at (800) 356-9441 during regular business hours Monday thru Friday 9:00 A.M. to 5:00 P.M. EST or anytime by e-mail to OPERATIONS@PENNWARRANTYCORP.COM. To file a formal complaint under **Your** Service Contract call (800) 575-2749. In the event **You** do not receive satisfaction under this Contract, **You** may contact the South Carolina Department of Insurance Consumer Services Office at 803-737-6180 or in writing at South Carolina Department of Insurance P.O. Box 100105, Columbia, SC 29202-3105.

**(24) Texas:**

Unresolved complaints or questions concerning the regulation of service contracts may be directed to the Texas Department of Licensing and Regulation at P.O. Box 12157, Austin, TX 78711, 1-800-803-9202. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Cancellation By You” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within forty-five (45) days of return of this Service Contract to the **Administrator**. All refunds will be paid to the Lienholder if any, otherwise to **You**. If **Your** cancellation refund is not paid within forty-five (45) days after the Service Contract has been returned to the **Selling Dealer** or the **Administrator**, **You** may request a refund from Virginia Surety Company, Inc., 175 West Jackson Blvd., Chicago, Illinois 60604.

**(25) Utah:**

Coverage afforded under this Service Contract is not guaranteed by the Property and Casualty Guaranty Association. This Service Contract is subject to limited regulation by the Utah Insurance Department. To file a complaint, contact the Utah Insurance Department. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Cancellation By Us” is amended to include: **We** may cancel this Service Contract for any reason within sixty (60) days from the **Service Contract Purchase Date**. After sixty (60) days, **We** may cancel this Service Contract only for one or more of the following reasons: • For nonpayment of premium; • For material misrepresentation; • For substantial changes in the risk assumed, unless the insurer should reasonably have foreseen the change or contemplated the risk when entering into the contract; or • For substantial breaches in contractual duties, conditions or warranties. **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 premium] before **We** cancel this Contract. Such cancellation notice will be delivered or mailed by first class mail. If this Service Contract is financed and **Your Vehicle** is a total loss or is repossessed, **You** authorize **Your** Lien Holder (shown on the front of this Service Contract) to receive the refund. **YOUR RESPONSIBILITIES** – Filing a Claim. #8 is amended with the following: Failure to file within the time limit does not invalidate a claim if the Contract Holder shows it was not reasonably possible to file within the listed time limit (31A-21-312).

**(26) Wisconsin:**

THIS SERVICE CONTRACT IS SUBJECT TO LIMITED REGULATION BY THE OFFICE OF THE COMMISSIONER OF INSURANCE. **WHAT THIS SERVICE CONTRACT DOES NOT COVER** – is amended to include: Exclusion #2 is deleted in its entirety. **YOUR RESPONSIBILITIES** – Filing a Claim. #4. Prior Approval is amended to include: **Failure to obtain authorization prior to having repairs made may jeopardize Coverage under this Contract, except as provided under Emergency Repairs. YOUR RESPONSIBILITIES** – Filing a Claim. #8 is amended to include the following: **The 180 days time limit for reimbursement does not apply. All repair orders and documentation must be submitted to the Administrator as soon as reasonably possible. GENERAL PROVISIONS** – Section 5 “Subrogation” is amended to include: **You** will be made whole before **We** retain any amount **We** may recover. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Cancellation By You” is deleted in its entirety and replaced by the following: Cancellation By You - **You** may cancel this Service Contract at any time. To cancel, **You** must submit a written request and return the Service Contract to the **Administrator**. If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date**, a 100% refund of the **Service Contract Price** will be made. All refunds will be paid to the Lienholder if any, otherwise to **You**. **GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Section “Cancellation By Us”” is amended to include: **Our** right to cancel for any reason is changed from ninety (90) days to sixty (60) days.

**(27) Wyoming:**

**GENERAL PROVISIONS** – Section 7 “How This Service Contract May Be Canceled – Including Refunds And Charges, Cancellation By You” is amended to include: If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date** and **You** have not incurred a claim, this Service Contract shall be void and a ten percent (10%) penalty per month shall be added to a refund that is not paid within forty-five (45) days of return of this Service Contract to the **Administrator**. The sentence “All refunds will be paid to the Lienholder if any, otherwise to **You**.” is revised to read as “All refunds will be made payable to the Lienholder and **You**”.