

VEHICLE SERVICE CONTRACT – TERMS AND CONDITIONS

DEFINITIONS

Administrator/Obligor (We, Us, Our) – We Cover USA, LLC 400 SW 1st Avenue, #96, Ocala, FL 34471 Telephone: 855-2-WECOVER

- In Florida, the Administrator is Lyndon Southern Insurance Company, 10751 Deerwood Park BLVD, Unit 200, Jacksonville, FL 32256
- In Florida, the Obligor is Lyndon Southern Insurance Company, 10751 Deerwood Park BLVD, Unit 200, Jacksonville, FL 32256

Application Page – The 1st page of this Vehicle Service Contract executed by You which identifies the parties and property covered by the Vehicle Service Contract.

Breakdown – The failure of a Covered Component under normal service due to defects in material or workmanship. A Covered Component has failed when it can no longer perform the function for which it was designed solely because of its condition and not because of the action or inaction of any noncovered parts.

Contract Purchase Date – the date listed on the Application Page.

Contract Purchase Price – the price You paid for the Vehicle Service Contract.

Cost – The reasonable and fair charges for parts and labor needed to repair and/or replace parts covered by this Service Contract. To the extent applicable, replacement parts will be of like, kind and quality as the covered part(s) and may include Original Equipment Manufacturers (OEM), Non-Original Equipment Manufacturers (Non-OEM), Remanufactured or Recycled Parts. Parts and labor charges, if any, shall not exceed the manufacturer's suggested retail price as stated by one of the national labor time guides listed.

Covered Component – The eligible parts listed in the **SCHEDULE OF COVERAGE** section. The listed parts must be factory installed equipment on Your Vehicle or replacement parts meeting the manufacturer's specifications. Replacement parts may be new, remanufactured, or replacement parts of like kind and quality, as determined by the Administrator/Obligor.

Dealer – The Selling Dealership from which You purchased this Vehicle Service Contract as shown on the Application Page.

Deductible – This Service Contract has a \$0 per claim visit deductible.

Labor Rate – The labor charges for authorized repairs will be based on the local average Cost for similar repairs. Labor time will be determined by a current nationally published flat-rate manual.

Pre-Existing Condition – A condition and/or failure that within all reasonable mechanical probability and mechanical fitness existed prior to the Contract Purchase Date.

Repair Facility – A licensed Repair Facility (licensed to perform mechanical repairs or a fleet service with certified mechanics) authorized by the Administrator/Obligor to perform repair services under this Vehicle Service Contract.

Service Event – A mechanical breakdown not defined as maintenance in the Vehicle's owner's manual.

Term – This Vehicle Service Contract will last for the time period indicated on the Application Page, so long as You own the Vehicle, or You have properly transferred the Vehicle.

Vehicle Service Contract (Service Contract) – This Vehicle Service Contract purchased for the Vehicle described on the Application Page.

You, Your, Owner, Service Contract Holder – the Owner as shown on the Application Page or the person to which this Service Contract was properly transferred.

SCHEDULE OF COVERAGE

EXCLUSIONARY COVERAGE: Includes **ALL OF YOUR VEHICLE'S ORIGINAL FACTORY-EQUIPPED MECHANICAL AND ELECTRICAL PARTS, EXCEPT THOSE EXCLUDED BY THE SERVICE CONTRACT.**

OPTIONAL SURCHARGES

The following options are available only when selected on the Application Page and applicable surcharges have been paid:

- a. **COMMERCIAL & FARM USE:** You can purchase the Vehicle for commercial, farm use and receive coverage outlined in this Service Contract.

EXCLUSIONS – WHAT IS NOT COVERED

This Service Contract does NOT provide coverage for any of the following parts or services:

- a. Component failures occurring before We receive and approve the Application are not covered.
- b. Any repair done without prior authorization from Us.
- c. We do not provide any coverage for vehicles modified or altered **AT ANY TIME** beyond original manufacturer's specifications with or without Your knowledge, including but not limited to the following modifications: lift kits (unless You have paid the **OPTIONAL LIFT SURCHARGE**); lowering kits; emission/exhaust; and engine.
- d. Diagnostic and tear-down charges for non-covered repairs.
- e. Damage from failure to protect Your vehicle after warning indicators illuminate.
- f. Repairs performed due to improper diagnosis.
- g. Fluids, refrigerant, and filters, except if previously stated in the **SCHEDULE OF COVERAGE**.
- h. Damage resulting from any previous improper repair.
- i. Parts and labor needed to maintain Your Vehicle in accordance with the requirements of Your manufacturer's owner's manual.
- j. Parts of the Vehicle subject to regular maintenance in accordance with the requirements of Your manufacturer's owner's manual.
- k. Damage from flood, fire, impact, and/or accident, regardless of the cause.
- l. Damage from conditions of the environment, including rust and corrosion.
- m. Damage from You altering, misusing, or tampering with the Vehicle, making improper adjustments, or using improper fuels or fluids.
- n. Damage resulting from failure to maintain Your Vehicle according to Your manufacturer's maintenance requirements.
- o. Damage/failure caused by carbon, sludge, or water ingestion.
- p. Fluid leaks and damage caused by fluid leaks.
- q. Unspecified Repair Facility charges.
- r. We do not provide any coverage if, at any time, the Vehicle has/had an inoperative cluster, odometer, and/or odometer display, regardless of if repaired.
- s. We will not be responsible for any time lost any inconvenience caused by the loss of use of Your Vehicle, the quality of the repair by the Repair Facility or for any other incidental or consequential damages You may have.
- t. Vehicles used for commercial purposes (unless You have paid the **OPTIONAL COMMERCIAL & FARM USE SURCHARGE**).
- u. Vehicles with emergency lighting regardless of color, including but not limited to: police, fire, emergency service including emergency and non emergency transport; tow trucks; sanitation.
- v. Clutch related items (unless You have paid the **OPTIONAL CLUTCH SURCHARGE**).
- w. Pre-Existing Conditions.

SERVICE CONTRACT CLAIM PROCEDURES

FAILURE, BY YOU OR YOUR REPAIR FACILITY, TO FOLLOW THESE CLAIM PROCEDURES MAY DELAY AND/OR RESULT IN CLAIM DENIAL. TO AVOID DELAY, FOLLOW THE CLAIM PROCEDURES LISTED BELOW:

- a. A claim must be opened during normal business hours and while Your Service Contract is active.
- b. **RETURNING TO DEALER FOR REPAIRS:** If Your Vehicle is within one hundred (100) miles of the Dealer, You must deliver Your Vehicle to the Dealer at the address shown on the Application Page of this Vehicle Service Contract. If Your Vehicle is more than one hundred (100) miles from the Dealer or the Dealer is no longer in business, call Us at 855-2-WECOVER for instructions before You deliver Your Vehicle to a Repair Facility. To assure coverage under the terms of this Service Contract, authorization must be obtained prior to teardown or repair.
- c. The Dealer or Repair Facility must be capable of: (1) performing tear-down to the point of Covered Component failure, (2) determining the cause and extent of damage, and (3) replacing or rebuilding the Covered Component. The Vehicle **MUST REMAIN** at the Dealer or Repair Facility until repairs are complete. If the Dealer or Repair Facility is unwilling or unable to work with Us, then We reserve the right to require You to choose another Repair Facility.
- d. The Dealer or Repair Facility must call Us at 855-2-WECOVER to open a claim **BEFORE** any repairs have begun.
- e. The Dealer or Repair Facility must perform a proper diagnosis to determine the cause of failure and extent of damage, which may include tear-down to the point of component failure upon Our request. **YOU ARE RESPONSIBLE FOR THESE CHARGES** for non-covered repairs. The Dealer or Repair Facility **MUST** provide Us with an estimate for the covered repair to obtain an authorization number **BEFORE** any repairs have begun. **ANY REPAIRS PERFORMED PRIOR TO AUTHORIZATION WILL BE DENIED.**

- f. We have the right to inspect the Vehicle. If the Dealer or Repair Facility is unable/unwilling to show the cause of failure and the extent of damage, You will be responsible for all re-inspection costs.
- g. We have the option to select new, rebuilt, aftermarket, or used components when authorizing repairs.
- h. We will arrange for payment or reimbursement of the amount of the authorized repair, less related charges not covered by the Service Contract.
- i. If it is determined a Covered Component has failed and an estimate for the repairs is approved by Us, an authorization number will be issued for the repair. The authorization number is valid for 180 days from the date issued. After 180 days the authorization number and claim are void. No invoice will be processed without a valid authorization number, Your signature, Dealer or Repair Facility's warranty on repairs (if applicable) and Dealer or Repair Facility's identifying information.
- j. **Emergency Repairs (non-business hours only)** – Emergency repairs are only those repairs, which, if not performed, would render Your Vehicle inoperable or unsafe to drive and impair its future operation. If emergency repairs covered by this Service Contract are required outside of the Administrator/Obligor's business hours, You should deliver Your Vehicle to a Repair Facility and have the necessary repairs performed at a reasonable and customary charge. On the next business day, You should report the repairs to the Administrator/Obligor for reimbursement, You will be required to provide the repair order/invoice for review.

SERVICE CONTRACT GENERAL PROVISIONS

- a. This Vehicle Service Contract goes into effect on the Contract Purchase Date.
- b. **LIMITS OF BENEFITS & LIABILITY:** For any one repair visit, all benefits paid or payable shall not exceed the JD Power Motorcycle/Snowmobile/ATV/Personal Watercraft Appraisal Guide (JD Power) or the actual cash value of Your Vehicle at the instant prior to the Breakdown. The aggregate total of all benefits paid or payable during the Term of this Service Contract shall not exceed the price You paid for Your Vehicle. If the JD Power Guide vehicle valuation is not available, not widely recognized or not commonly used in the geographic area, We may use another market retail valuation method.
- c. **DIAGNOSIS:** We will pay for reasonable, necessary, and customary diagnostic charges incurred in conjunction with a covered repair, not to exceed the labor time listed in a nationally recognized parts and labor guide. **DIAGNOSTIC TIME WILL NOT BE PAID FOR THOSE CONDITIONS WHERE THE PROPER REPAIR IS READILY APPARENT TO THE NORMAL SENSES OF SIGHT, TOUCH, SMELL AND/OR SOUND, OR NOT A COVERED REPAIR.**
- d. **RESERVATION TO REJECT:** We reserve the right to reject any Vehicle Service Contract Application. We do not provide coverage for any vehicle not originally manufactured to U.S. specifications, commonly known as grey market vehicles, salvaged vehicles, or factory buybacks.
- e. **ODOMETER:** Your Vehicle's odometer MUST always display and function, regardless of Your Vehicle's mileage limitations. If there has been an inaccuracy, tampering, or alteration to the odometer mileage so the true and actual mileage is not shown or cannot be determined, then Your Service Contract is void. An inoperative cluster, odometer, and/or odometer display also voids the Service Contract. Upon discovery by Us, We will cancel Your Service Contract and issue a prorated refund, less claims paid or authorized for payment.
- f. **MODIFICATION:** If, at any time, it is determined Your Vehicle is altered or modified from original manufacturer's specifications, We could consider this a material misrepresentation, unless Your Vehicle has been classed under the OPTIONAL SURCHARGE for the specific alteration and/or modification. Upon discovery by Us, We will cancel Your Service Contract and issue a prorated refund less claims paid or authorized for payment.
- g. **MAINTENANCE:** You are responsible for properly maintaining the vehicle in accordance with manufacturer's specifications and to protect against further damage caused by continued operation or damage from overheating.
- h. Coverage is limited to the repair or replacement of any Covered Component found to be defective beyond manufacturer's specifications, including failures resulting from normal wear and tear.
- i. **COOPERATION:** You must provide Your Vehicle Identification Number (VIN) or Contract Number when contacting Us. You agree You will cooperate with the processing of any claim. Your failure to cooperate is cause to reject, terminate, or cancel the claim and the Service Contract.
- k. We do not allow any third party to create any obligation or liability in connection with the Service Contract.
- l. The selling Dealer is not Our agent.
- m. **OBLIGOR PERFORMANCE & OBLIGATIONS:** Obligations of the Obligor under this Service Contract are insured under a contractual liability insurance policy issued by Old Republic Insurance Company. If the Obligor fails to pay or provide service on a claim within sixty (60) days after proof of loss has been filed, You are entitled to make a claim directly against the insurer, Old Republic Insurance Company, P.O. Box 35008, Tulsa, OK 74153-0008, (800) 331-3780.
- n. **MAINTENANCE OF RECORDS:** During Your ownership, You must retain all Vehicle maintenance/repair records for review by Us upon request. You are responsible for properly using, maintaining, and caring for Your Vehicle. Evidence of the performance of the required maintenance must be kept and presented as proof of such maintenance in connection with related repairs covered by this Vehicle Service Contract. An example of what You will need to support proper maintenance would be repair invoices, receipts, and other such records. **FAILURE TO PROVIDE SUCH EVIDENCE, OR FAILURE TO PROPERLY MAINTAIN THE VEHICLE IN ACCORDANCE WITH YOUR OWNER'S MANUAL, MAY DISQUALIFY YOU FROM COVERAGE.**
- o. Coverage is superseded by any manufacturer's warranty, recall or warranty on a previous repair.
- p. **JURISDICTION AND VENUE; CHOICE OF LAW:** This Service Contract and all attachments hereto shall be governed by and construed in accordance with the laws of the state of Arizona, without reference to its conflict of laws provisions. With respect to any litigation based on, arising out of, or in connection with this Service Contract and all attachments hereto, the

Parties expressly submit to the personal jurisdiction of the Superior Court in and for the County of Maricopa, Arizona, or the United States District Court for the District of Arizona, and the Parties expressly waive, to the fullest extent permitted by law, any objection that they may now or later have to the laying of venue of any such litigation brought in any such court referred to above, including without limitation, any claim that any such litigation has been brought in an inconvenient forum.

q. ARBITRATION: In the event of a disagreement between You and Us concerning costs, either party may make a written demand for arbitration. This must be done within sixty (60) days after the day You filed your claim. Each party will select an arbitrator. The two arbitrators will select an umpire. Each party will pay the expenses of the arbitrator it selects. The expenses of the umpire will be shared equally. Unless both of Us agree otherwise, arbitration will take place in the State of Arizona. The Arizona rules of Arbitration, as adopted by the Arizona superior courts, apply. A majority decision between the two arbitrators and the umpire will be binding.

r. PRIVACY NOTICE: It is Our policy to respect the privacy of Our customers. For information on Our privacy practices, please review Our privacy policy at [www.wecoverusa.com].

SERVICE CONTRACT TRANSFER PROVISIONS

To transfer this Service Contract, contact Us to request a Transfer Form. This Service Contract applies only to the Service Contract Holder and the described Vehicle listed on the Application Page. This Service Contract, however, may be assigned or transferred at the request of the Service Contract Holder to any new owner of the described Vehicle while the Service Contract is still in force by written notification and payment to the Administrator of a fifty-dollar (\$50.00) transfer fee, and providing proof of continuation of the service requirements. Transfer to the new owner must be completed within thirty (30) days of purchase. If any portion of the manufacturer's warranty is in effect at time of transfer, the transfer of the Service Contract will be valid only if the manufacturer's warranty is also properly transferred. Completed forms or materials evidencing the properly executed transfer of any manufacturer's warranty coverage in effect on a Vehicle must be received from the Service Contract Holder in addition to a copy of the bill of sale which lists the current mileage by Us before this Service Contract will be transferred.

CANCELLATION PROVISIONS

ALL REQUESTED CANCELLATIONS/REFUNDS MUST BE IN WRITING AND WILL BE PROCESSED THROUGH YOUR LIENHOLDER, IF ANY, OR YOUR DEALER. IF FINANCED, YOU AGREE YOUR LIENHOLDER IS A JOINT PAYEE TO RECEIVE ANY APPLICABLE REFUND. ANY CANCELLED SERVICE CONTRACT IS VOID AND WILL NOT BE REINSTATED.

a. CANCELLATION BY SERVICE CONTRACT HOLDER: You may cancel this Service Contract at any time by notifying Us. If You cancel Your Service Contract within the first thirty (30) days from the Contract Purchase Date, You will receive a full refund, less any claims paid. After thirty (30) days, You will receive a pro rata refund of the Service Contract Price for the unexpired Term of the Service Contract based on the number of elapsed months, less any claims paid or authorized for payment, less a cancellation fee of fifty (\$50.00) dollars. In the event of Your cancellation of this Service Contract, any refund owed will be paid or credited no more than thirty (30) days from the date the Administrator/Obligor or Dealer receives notice of the request to cancel or sooner if required by state law.

b. CANCELLATION BY US: We will cancel Your Service Contract for fraud, material misrepresentation (including alterations/modifications), a substantial breach (including a malfunctioning odometer), or nonpayment, either by You or on Your behalf. Prior notice of cancellation is not required for these violations. If cancelled by Us for any other reason, then We shall mail a written notice to Your last known address at least five (5) days prior to cancellation. The notice shall state the reason and effective date of the cancellation. If cancelled by Us within the first thirty (30) days from the Contract Purchase Date, We shall provide a full refund, less any claims paid. After thirty (30) days, We shall provide a pro rata refund of the Contract Purchase Price for the unexpired Term of the Service Contract based on the number of elapsed months, less any claims paid or authorized for payment. In the event of Our cancellation of this Service Contract, any refund owed will be paid or credited no more than thirty (30) days from the date of the Obligor's cancellation or sooner if required by state law.

c. CANCELLATION BY LIENHOLDER: If this Service Contract was financed, You hereby authorize Your lienholder to cancel Your Service Contract on Your behalf in the event of: (1) Your Vehicle is repossessed; (2) Your Vehicle is declared a total loss; or (3) You default on Your obligations to Your lienholder. The rights under this Service Contract are transferred to the lienholder and the lienholder is also entitled to any refund. If cancelled within the first thirty (30) days from the Contract Purchase Date, a full refund of the Contract Purchase Price will be provided, less any claims paid. After thirty (30) days, a pro rata refund of the Contract Purchase Price will be provided for the unexpired Term of the Service Contract based on the number of elapsed months, less any claims paid or authorized for payment, less a cancellation fee of fifty (\$50.00) dollars. In the event of cancellation of this Service Contract, any refund owed will be paid or credited no more than thirty (30) days from the date the Administrator/Obligor or Dealer receives notice of the request to cancel or sooner if required by state law.