

Chicago, IL 60604. You may make a claim directly with Virginia Surety Company, Inc. who insures the obligations of North American Warranty, Inc. under this Agreement at the foregoing address.

**Wisconsin only: THIS CONTRACT IS SUBJECT TO LIMITED REGULATION BY THE OFFICE OF THE COMMISSIONER OF INSURANCE.** All references to "Service Agreement" are hereby deleted and replaced with "Service Contract". You may cancel this Service Contract at any time. We may only cancel this Service Contract for material misrepresentation by You, non-payment by You or a substantial breach of duties by You relating to the covered property or its use. If this Service Contract is canceled within thirty (30) days of the Start Date and no claims have been paid by Us, We shall return one hundred percent (100%) of the Service Contract fee paid by You and the Service Contract shall be void. If You request cancellation of the Service Contract within thirty (30) days of the Start Date and the refund is not paid or credited within forty-five (45) days of the date of cancellation, a ten percent (10%) penalty will be added to the refund for every thirty (30) days the refund is not paid. If this Service Contract is canceled after thirty (30) days of the Start Date or a claim has been paid by Us, We shall return one hundred percent (100%) of the unearned pro-rata Service Contract fee paid, less any claims paid by Us and less a cancellation fee not to exceed ten percent (10%) of the Service Contract fee paid. If You request cancellation due to a total loss of Your product which is not covered by a replacement under the terms of Your Service Contract, We shall return one hundred percent (100%) of the unearned pro-rata Service Contract fee paid, less any claims paid by Us. Unauthorized repairs may not be covered.

Our obligations under this Service Contract are insured under a service contract reimbursement insurance policy. Should We fail to pay any claim or fail to replace the product covered under this Service Contract within sixty (60) days after You provide proof of loss or, in the event You cancel this Service Contract and We fail to refund the unearned portion of the Service Contract fee or, if We become insolvent or otherwise financially impaired, You are entitled to make a direct claim against the insurer, Virginia Surety Company, Inc., at 1(800) 209-6206 or 175 West Jackson Blvd. 11th Floor, Chicago, IL 60604 for reimbursement, payment or provision of this Service Contract. Any assignment or amendment made under the Assignment/Amendment section of this Service Contract shall be done so in accordance with all applicable laws of the State of Wisconsin. Arbitration will take place under the laws of the State of Wisconsin and will be held in Your county of residence or any other county in this state agreed to by You and Us.

**Wyoming only:** If You request cancellation of this Service Agreement within thirty (30) days of the Start Date and the refund is not paid or credited within forty-five (45) days of the date of cancellation, a ten percent (10%) penalty will be added to the refund for every thirty (30) days the refund is not paid. If We cancel this Service Agreement, We shall mail a written notice to You at Your last known address at least ten (10) days prior to cancellation.

**YOUR ENCLOSED DECLARATION PAGE IS AN INTEGRAL PART OF YOUR SERVICE AGREEMENT AND ALONG WITH THESE TERMS AND CONDITIONS AND ARBITRATION INSERT CONSTITUTE YOUR ENTIRE AGREEMENT**

## TERMS AND CONDITIONS

### INTERIOR ELECTRICAL LINE - WHAT'S COVERED:

We will arrange and pay for the repair or replacement of the failing Interior Electrical Line within a Residential Property, for which You have sole responsibility. An Interior Electrical Line is defined as the high voltage wiring that services the interior limits of Your Residential Property from, and including, the distribution panel up to the points of use.

If You own a Residential Property that has multiple Units, for which You have sole responsibility, You must purchase a Service Agreement for each individual Unit for any one Unit to be eligible for service.

The maximum benefit limit is \$2,500 per Term, subject to the terms and conditions of this Service Agreement. Any repair charges beyond Your benefit limit are Your responsibility.

### WHAT'S NOT COVERED - GENERAL EXCLUSIONS:

We will not be responsible for any of the following:

1. DAMAGE OR NEGLIGENCE CAUSED BY YOU OR OTHERS, UNUSUAL CIRCUMSTANCES, INCLUDING, BUT NOT LIMITED TO, EARTHQUAKE, NATURAL DISASTER, FLOOD, CIVIL DISOBEDIENCE, RIOT OR WAR;
2. ANY WORK THAT CANNOT BE PERFORMED IN A SAFE MANNER;
3. CONDITIONS, DEFECTS OR DEFICIENCIES THAT OCCURRED PRIOR TO THE START DATE;
4. CONSEQUENTIAL OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, ANY DAMAGES NECESSARY TO REASONABLY ACCESS THE REPAIR AREA;
5. THE CORRECTION OR UPGRADE OF ANY SYSTEM IN ORDER TO COMPLY WITH ANY FEDERAL, STATE OR LOCAL LAWS, REGULATIONS, ORDINANCES OR UTILITY REGULATIONS WHERE NO OPERATIONAL FAILURE HAS OCCURRED; OR
6. REPAIRS TO ANY SECTION OF YOUR SYSTEM(S) THAT YOU SHARE WITH ANY THIRD PARTY OR IS COVERED THROUGH A JOINT HOMEOWNER OR COOPERATIVE ASSOCIATION;

### INTERIOR ELECTRICAL LINE EXCLUSIONS:

1. RESETTING OF CIRCUIT BREAKERS OR SYSTEM CONTROLS WHERE IT IS NOT ASSOCIATED WITH REPAIR WORK;
2. HOMES WITH ALUMINUM WIRING OR ANY ELECTRICAL WIRING WHICH IS NOT PERMANENT;
3. A FAILURE ARISING FROM THE DISCONNECTION FROM OR INTERRUPTION TO THE MAIN ELECTRICAL SUPPLY;
4. THE REPLACEMENT OF LIGHT BULBS; DECORATIVE FITTINGS, FUSES OR ANY OTHER ELECTRICAL MAINTENANCE TASK;
5. DOMESTIC ELECTRICAL APPLIANCES;
6. REPAIR OR REPLACEMENT OF TRANSFORMERS CONTROLLING THE VOLTAGE TO A SINGLE LOW VOLTAGE LIGHT FITTING; OR
7. SERVICE ENTRANCE CONDUCTORS.

### TERM:

Your Service Agreement begins on the Start Date listed on Your Declaration Page and will continue for twelve (12) months ("Term") provided:

- You are not past due with any payments, and/or
- Neither You nor We cancel per the CANCELLATION/REFUND provisions below.

During the first year of Your Service Agreement, You are subject to an initial waiting period of thirty (30) days, during which time You will not be eligible for a Service Call, giving You eleven (11) months of coverage during the first year. Upon renewal (if applicable), You will not be subject to a waiting period again.

**HOW TO CALL FOR REPAIRS:**

You must call HomeServe and one of their agents will assist in the diagnosis of Your repair and the scheduling of a visit from one of HomeServe's approved local technicians. Covered repairs are guaranteed against defects in materials and workmanship for one year. There is no deductible.

**RENEWAL:**

If You elected a continuous payment method and continue to make timely payments, this Service Agreement will automatically renew. If You did not elect a continuous payment method, You must renew this Service Agreement prior to the end of the Term to ensure continuous coverage. We reserve the right to not offer this Service Agreement upon renewal.

**CANCELLATION/REFUND:**

You may cancel this Service Agreement at any time by calling HomeServe. If You cancel within thirty (30) days of the Start Date, You will receive a full refund of Your payment less any claims paid by Us. If You cancel this Service Agreement more than thirty (30) days after the Start Date, You will be entitled to a prorate refund of any excess unused payments made by You, less any claims paid by Us. If at any time You find You already have similar coverage, or Your local utility company or municipality provides coverage, You can contact HomeServe to cancel and You will receive a full refund of Your payment less any claims paid by Us. You may be required to provide evidence of the similar coverage.

We may only cancel this Service Agreement:

- For non-payment of Service Agreement fees, or
  - For Your fraud or misrepresentation of facts that are material to the issuance of this Service Agreement or benefits provided under it, or
  - Should We discover that You already have coverage that is the same as that which is provided under this Service Agreement or that You are ineligible for coverage under this Service Agreement.
- In such instances, You will receive a full refund of any Service Agreement fees paid by You less any claims paid by Us.

If We cancel this Service Agreement, You will be notified in writing, such notice to be received by You no less than five (5) days prior to cancellation. The notice shall state the effective date of the cancellation and the reason for cancellation. You will be entitled to a pro-rata refund of any excess unused payments made by You, less any claims paid by Us.

**PRIVACY POLICY:**

Any information that You provide under this Service Agreement will be accessed, collected, used, transmitted, disclosed, stored, maintained and otherwise handled to administer Your Service Agreement by HomeServe, including, but not limited to, disclosing Your address, telephone number, and other contact information to third parties who conduct services on their behalf. HomeServe is a member of the HomeServe Plc group of companies located in and outside the United States of America (including the United Kingdom and Canada). The HomeServe group of companies and their selected partners may use or transport Your data in or outside the United States of America for the purposes of training, testing, reporting, quality control, research, statistical analysis and to provide services to You. The HomeServe group of companies and their selected partners may also use Your data to keep You informed by mail, telephone or email of any products or services which they consider may be of interest to You. If You do not want to receive such information please call or write to HomeServe. To help keep Your information accurate and up to date HomeServe may use information from selected third parties. For further details on how HomeServe uses Your information, please see their Privacy Policy at [www.homeserveusa.com/Customer\\_Data\\_Privacy\\_Policy.html](http://www.homeserveusa.com/Customer_Data_Privacy_Policy.html). Should You have any questions or complaints about HomeServe's Privacy Policy or how they are using Your information, please contact HomeServe. Telephone calls may be recorded and monitored.

**ASSIGNMENT/AMENDMENT:**

We reserve the right to assign, amend or adjust the price of this Service Agreement and to delegate any of Our obligations hereunder at Our sole discretion and without Your consent provided We give You thirty (30) days' prior notice. We may also assign or delegate to independent technicians or other third parties certain rights and responsibilities under this Service Agreement. You may not assign, amend or adjust the price of this Service Agreement or delegate any of Your obligations

be based upon one hundred percent (100%) of unearned pro-rata Service Agreement fee less the actual cost of any claims paid by Us.

**Oregon only:** The Provider of this Service Agreement is North American Warranty of Illinois, Inc., 175 West Jackson Blvd., 11th Floor, Chicago, IL 60604, 1-866-918-4680.

**South Carolina only:** If You request cancellation of this Service Agreement within thirty (30) days of the Start Date and the refund is not paid or credited within forty-five (45) days of the date of cancellation, a ten percent (10%) penalty will be added to the refund for every thirty (30) days the refund is not paid. If You have any questions regarding this Service Agreement, or a complaint against the Provider, You may contact the South Carolina Department of Insurance at 1201 Main Street, Suite 1000, Columbia, South Carolina 29201, (803) 737-6160. If We cancel this Service Agreement for any reason other than non-payment of Service Agreement fees or for Your fraud or misrepresentation of facts that are material to the issuance of this Service Agreement or benefits provided under it, You will be notified in writing no less than fifteen (15) days prior to cancellation.

**Texas only:** We will initiate service within forty-eight (48) hours of a request for services by You. This Service Agreement is issued pursuant to a license granted by the Texas Real Estate Commission. Complaints in connection with this Service Agreement can be directed to the Texas Real Estate Commission at P.O. Box 12188, Austin, Texas 78711, (512) 936-3049.

The purchase of a residential service contract is optional and similar coverage may be purchased through other residential service companies or insurance companies authorized to transact business in Texas.

**NOTICE: YOU, THE BUYER, HAVE OTHER RIGHTS AND REMEDIES UNDER THE TEXAS DECEPTIVE TRADE PRACTICES-CONSUMER PROTECTION ACT WHICH ARE IN ADDITION TO ANY REMEDY WHICH MAY BE AVAILABLE UNDER THIS CONTRACT.**

**FOR MORE INFORMATION CONCERNING YOUR RIGHTS, CONTACT THE CONSUMER PROTECTION DIVISION OF THE ATTORNEY GENERAL'S OFFICE, YOUR LOCAL DISTRICT OR COUNTY ATTORNEY OR AN ATTORNEY OF YOUR CHOICE.**

\_\_\_\_\_  
Buyer's Signature

\_\_\_\_\_  
Date

**NOTICE: WE PAY PERSONS NOT EMPLOYED BY US FOR THE SALE, ADVERTISING, INSPECTION, OR PROCESSING OF A RESIDENTIAL SERVICE CONTRACT UNDER TEXAS OCCUPATIONS CODE §1303.304**

**Utah only:** Coverage afforded under this Service Agreement is not guaranteed by the Property and Casualty Guaranty Association. We may only cancel this Service Agreement for material misrepresentation, non-payment by You or a substantial breach of duties by You relating to the covered property or its use. If We cancel this Service Agreement for non-payment, such cancellation will be effective ten (10) days after the mailing of notice to You. If We cancel this Service Agreement for material misrepresentation or a substantial breach of duties, such cancellation will be effective thirty (30) days after mailing of notice to You. This Service Agreement is subject to limited regulation by the Utah Insurance Department. To file a complaint, contact the Utah Insurance Department. Conditions that existed prior to the Start Date are not covered.

**Washington only:** If You request cancellation of this Service Agreement within thirty (30) days of the Start Date and the refund is not paid or credited within thirty (30) days of the date of cancellation, a ten percent (10%) penalty will be added to the refund for every thirty (30) days the refund is not paid. In the event We cancel this Service Agreement, We will mail a written notice to You at Your last known address at least twenty-one (21) days prior to cancellation. The State of Washington is the jurisdiction for any civil action in connection with this Service Agreement. This Service Agreement allows for binding arbitration proceedings to be held at a location in closest proximity to the Service Agreement holder's permanent residence. The commissioner is the Service Agreement provider's attorney to receive service of legal process in any action, suit, or proceedings in any court. The obligations of the Provider under this Service Agreement are insured by a service agreement reimbursement policy with Virginia Surety Company, Inc. 175 West Jackson Blvd. 11th Floor,

seventy (70) days from the Start Date for any reason. After seventy (70) days, the Provider may only cancel this Service Agreement for fraud, material misrepresentation, non-payment by You or a substantial breach of duties by You relating to the covered property or its use. If We cancel this Service Agreement, We shall mail a written notice to You at Your last known address at least fifteen (15) days before cancellation.

In no event will any claims paid by Us be deducted from any refund. Conditions that existed prior to the Start Date are not covered.

**Emergency Service:** If the covered product provides plumbing, heating or cooling or electrical services for Your Residential Property, and You sustain a failure of such product that renders Your Residential Property uninhabitable, repairs will commence within twenty-four (24) hours after You report the failure to Us and will be completed as soon as reasonably possible. In addition, We will provide a status report no later than three (3) calendar days after the report of the failure. The status report shall include: (i) a list of the required repairs or services, (ii) the reason causing repairs or services to extend beyond 3 days, including the status of parts required as part of the repair or service, and (iii) estimate of time to complete the repair or services. We will respond to Your inquiry no later than 1 business day after such inquiry is made. Please call 1-877-444-7737 to report such a loss.

**WAIT PERIOD - You may be subject to a waiting period, during which time You will not be eligible for a Service Call. Any applicable waiting period will be indicated in the Term section of this Service Agreement.**

Pursuant to Nevada law, arbitration is not mandatory.

**New Hampshire only:** In the event You do not receive satisfaction under this Service Agreement, You may contact the New Hampshire Insurance Department at, 21 South Fruit Street, Suite 14, Concord, NH 03301, 603-271-2261.

**New Jersey only:** Parts used for covered repairs may include non-original manufacturer's parts. Refurbished and reconditioned parts will not be used. Conditions that existed prior to the Start Date are not covered. If You request cancellation of this Service Agreement within thirty (30) days of the Start Date and the refund is not paid or credited within forty-five (45) days of the date of cancellation, a ten percent (10%) penalty will be added to the refund for every thirty (30) days the refund is not paid.

**New Mexico only:** If You request cancellation of this Service Agreement within thirty (30) days of the Start Date and the refund is not paid or credited within sixty (60) days of the date of cancellation, a ten percent (10%) penalty will be added to the refund for every thirty (30) days the refund is not paid. The Provider may cancel this Service Agreement within seventy (70) days from the Start Date for any reason. After seventy (70) days, the Provider may only cancel this Service Agreement for fraud, material misrepresentation, non-payment by You or a substantial breach of duties by You relating to the covered property or its use. If We cancel this Service Agreement, We shall mail a written notice to You at Your last known address at least fifteen (15) days before cancellation.

**New York only:** If You request cancellation of this Service Agreement within thirty (30) days of the Start Date and the refund is not paid or credited within thirty (30) days of the date of cancellation, a ten percent (10%) penalty will be added to the refund for every thirty (30) days the refund is not paid. If We cancel this Service Agreement, We shall mail a written notice to You at Your last known address at least fifteen (15) days prior to cancellation.

**North Carolina only:** We may cancel this Service Agreement only for non-payment of the purchase price of the Service Agreement or a direct violation of the Service Agreement by You.

**Oklahoma only:** This is not an insurance contract. Coverage afforded under this Service Agreement is not guaranteed by the Oklahoma Insurance Guaranty Association. **CANCELLATION** - The cancellation section of this Service Agreement is deleted in its entirety and replaced with the following: If You cancel this Service Agreement within the first thirty (30) days and no Service Call has been authorized or paid within the first thirty (30) days, We will refund the entire Service Agreement fee. If You cancel this Service Agreement after the first thirty (30) days, or have made a Service Call within the first thirty (30) days, return of the Service Agreement fee shall be based upon ninety percent (90%) of the unearned pro-rata Service Agreement fee less the actual cost of any claims paid by Us. If We cancel this Service Agreement, return of the Service Agreement fee shall

hereunder. Should certain terms or conditions in this Service Agreement be held to be invalid or unenforceable, the remainder of the terms and conditions in this Service Agreement shall remain valid.

**TRANSFER:**

This Service Agreement is not transferable by You.

**KEY TERMS:**

**"Provider", "Issuer" or "We", "Us" or "Our"** - North American Warranty, Inc. at 175 West Jackson Blvd., Chicago, IL 60604, 1-866-918-4680, is the entity obligated to provide service under this Service Agreement as the service agreement provider.

**"Administrator" or "HomeServe"** - HomeServe USA Repair Management Corp. ("HomeServe") at 1232 Premier Drive, Chattanooga, TN 37421, is the entity that will be administering the service under this Service Agreement as the service agreement administrator. You may contact HomeServe at the foregoing address or toll-free 1-877-444-7750.

**"You" or "Your"** - The purchaser of this Service Agreement who is the Service Agreement holder listed on the Declaration Page.

**"Declaration Page"** - The enclosed document that forms a part of this Service Agreement, listing important information regarding You, Your Residential Property and other vital information.

**"Service Agreement"** - The documents that constitute all of Your rights and responsibilities as a Service Agreement holder; which consist of these terms and conditions, the arbitration insert (unless prohibited by the laws of Your state) and Your Declaration Page.

**"Service Call(s)"** - Work performed on Our behalf to diagnose and eliminate a single covered repair.

**"Residential Property"** - A single structure used and zoned for residential occupancy that is affixed to a permanent foundation. This does not include recreational vehicles or property used for commercial purposes.

**"Unit"** - A self-contained space that includes, at minimum, a living area, kitchen and bathroom within a singular structure.

**RESPONSIBILITY FOR BENEFITS OWED TO YOU:**

This is not an insurance policy; it is a Service Agreement. HomeServe, Your Administrator, will serve as Your point-of-contact for all questions or concerns with respect to this Service Agreement. Performance under this Service Agreement is insured under an insurance policy that has been procured by the Provider. If We fail to pay or to deliver service on a claim within sixty (60) days after proof of loss has been filed, or in the event You cancel this Service Agreement and We fail to refund any unearned portion of the Service Agreement fee within sixty (60) days after cancellation, You are entitled to make a claim against the insurer, Virginia Surety Company, Inc., 175 West Jackson Blvd., 11th Floor, Chicago, IL 60604, 1-800-209-6206. All other terms and conditions of this Service Agreement are subject to, and modified by, the allocation of responsibilities set forth in this paragraph, unless otherwise indicated for residents of Your state as detailed in the applicable state disclosures at the end of this Service Agreement.

**ARBITRATION:**

**SEE INSERT FOR MANDATORY ARBITRATION PROVISIONS THAT APPLY TO THIS SERVICE AGREEMENT (UNLESS OTHERWISE PROHIBITED BY THE LAWS OF YOUR STATE).**

**STATE VARIATIONS:**

The following state variations shall apply if inconsistent with any other terms and conditions of this Service Agreement.

**Alabama only:** If You request cancellation within thirty (30) days of the Start Date of the Service Agreement and the refund is not paid or credited within forty-five (45) days of the date of cancellation, a ten percent (10%) penalty will be added to the refund for every thirty (30) days the refund is not paid. Parts used for covered repairs may include non-original manufacturer's parts.

**Arizona only: CANCELLATION - If You cancel within thirty (30) days of the Start Date and no claims have been paid by Us, You will receive a full refund of Your Service Agreement fee. If You cancel within thirty (30) days of the Start Date and claims have been paid by Us or You cancel this Service Agreement more than thirty (30) days after the Start Date, You will be entitled to a pro-rata refund of any excess unused payment made by You. No claims paid by**

**Us will be subtracted from any refund.**

**Arkansas only:** If You request cancellation within thirty (30) days of the Start Date of the Service Agreement and the refund is not paid or credited within forty-five (45) days of the date of cancellation, a ten percent (10%) penalty will be added to the refund for every thirty (30) days the refund is not paid. If We cancel this Service Agreement, We shall mail a written notice to You at Your last known address at least fifteen (15) days prior to cancellation. Original manufacturer's parts will be used for covered repairs to equipment that is under manufacturer's warranty, non-original manufacturer's parts may be used for all other covered repairs.

**California only:** The Provider of this Service Agreement is Virginia Surety Company, Inc., 175 West Jackson Blvd., 11th Floor, Chicago, IL 60604, 1-800-209-6206. The Administrator is Home Emergency Insurance Solutions (California License No. 0F79326), 1232 Premier Drive, Chattanooga, TN 37421. **HOW TO CALL FOR REPAIRS** – This section of the Service Agreement is amended to include the following: Services will be initiated within 48 hours after You have called HomeServe for a repair. **CANCELLATION/REFUND** – This section is amended as follows: We may only cancel this Service Agreement: • For non-payment of Service Agreement fees, or • For Your fraud or misrepresentation of facts that are material to the issuance of this Service Agreement or benefits provided under it. **RESPONSIBILITY OF BENEFITS OWED TO YOU** - This section is amended as follows: This is not an insurance policy; it is a Service Agreement. HomeServe, Your Administrator, will serve as Your point-of-contact for all questions or concerns with respect to this Service Agreement.

**Colorado only:** Actions under a pre-owned home warranty service contract may be covered by the provisions of the "Colorado Consumer Protection Act" or the "Unfair Practices Act", articles 1 and 2 of title 6, C.R.S.. You may have a right of civil action under such laws, including obtaining the recourse or penalties specified in such laws.

**Connecticut only:** In the event of a dispute with Administrator, You may contact The 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 Service Agreement fee, the cost of any repairs carried out under the Service Agreement and a copy of the Service Agreement. You may cancel Your Service Agreement if the covered product is sold, lost, stolen, or destroyed. It is Your responsibility to provide care/maintenance of the covered product. If Your Service Agreement expires whilst an approved repair or replacement is being carried out, this Service Agreement will be extended until the repair or replacement has been completed.

**Florida only:** The Provider of this Service Agreement is Service Plan of Florida, Inc., P.O. Box 87637, Chicago, IL 60680 (License No. 70033), The Administrator is HomeServe USA Repair Management (Florida) Corp., 1232 Premier Drive, Chattanooga, TN 37421. In the event the Service Agreement is canceled by You, return of the Service Agreement fee shall be based upon ninety percent (90%) of the unearned pro-rata Service Agreement fee less any claims paid by Us or less the cost of repairs made on Your behalf. In the event the Service Agreement is canceled by Us, return of the Service Agreement fee shall be based upon one hundred percent (100%) of the unearned pro-rata Service Agreement fee less any claims paid by Us or less the cost of repairs made on Your behalf. The rates charged to You for this Service Agreement are not subject to regulation by the Florida Office of Insurance Regulation. You have the right to assign this Service Agreement to the purchaser of your Residential Property within 15 days of the date that your Residential Property is sold or transferred. In such instances the Provider may charge an assignment fee not to exceed \$40.

**Georgia only:** If We cancel this Service Agreement, We shall provide written notice at least thirty (30) days prior to cancellation. This Service Agreement will be interpreted and enforced according to the laws of the state of Georgia. If You cancel within thirty (30) days of the Start Date and no claims have been paid by Us, You will receive a full refund of Your payment. If You cancel within thirty (30) days of the Start Date and claims have been paid by Us or You cancel this Service Agreement more than thirty (30) days after the Start Date, You will be entitled to a pro-rata refund of any excess unused payment made by You. In no event will any claims paid by Us be deducted from any refund. Nothing contained in the arbitration insert shall affect Your right to file a direct claim

against Virginia Surety Company, Inc. pursuant to O.C.G.A. 33-7-6(c)(2).

**Hawaii only:** If You request cancellation of this Service Agreement within thirty (30) days of the Start Date and the refund is not paid or credited within forty-five (45) days of the date of cancellation, a ten percent (10%) penalty will be added to the refund for every thirty (30) days the refund is not paid.

**Idaho only:** This is not a contract of insurance. You may have other rights and remedies under the Idaho Consumer Protection Act. For more information on Your rights, contact the Consumer Protection Division of the Office of the Idaho Attorney General at (208)334-2424.

**Illinois only:** Covered items must be in place and in good operating condition on the Start Date and become inoperative due to normal wear and tear after the Start Date.

**Indiana only:** Your proof of payment to the Administrator shall be considered proof of payment to the insurance company which guarantees Our obligations to You.

**Iowa only:** We will initiate service within forty-eight (48) hours of request for services by You. The Issuer is subject to regulation by the Insurance Division of the Department of Commerce of the state of Iowa. Complaints which are not settled by the Issuer may be sent to the Insurance Division at 330 Maple Street, Des Moines, Iowa 50319-0065.

**Louisiana only:** If You request cancellation of this Service Agreement within thirty (30) days of the Start Date and the refund is not paid or credited within forty-five (45) days of the date of cancellation, a ten percent (10%) penalty will be added to the refund for every thirty (30) days the refund is not paid. If We cancel this Service Agreement, We shall mail a written notice to You at Your last known address at least fifteen (15) days prior to cancellation.

**Maine only:** If You request cancellation of this Service Agreement within thirty (30) days of the Start Date and the refund is not paid or credited within forty-five (45) days of the date of cancellation, a ten percent (10%) penalty will be added to the refund for every thirty (30) days the refund is not paid. If We cancel this Service Agreement, We shall mail a written notice to You at Your last known address at least fifteen (15) days prior to cancellation.

**Maryland only:** If You request cancellation of this Service Agreement within thirty (30) days of the Start Date and the refund is not paid or credited within forty-five (45) days of the date of cancellation, a ten percent (10%) penalty will be added to the refund for every thirty (30) days the refund is not paid. If Your Service Agreement expires whilst an approved repair or replacement is being carried out, this Service Agreement will be extended until the repair or replacement has been completed.

**Massachusetts only:** If You request cancellation of this Service Agreement within thirty (30) days of the Start Date and the refund is not paid or credited within forty-five (45) days of the date of cancellation, a ten percent (10%) penalty will be added to the refund for every thirty (30) days the refund is not paid.

**Minnesota only:** If You request cancellation of this Service Agreement within thirty (30) days of the Start Date and the refund is not paid or credited within forty-five (45) days of the date of cancellation, a ten percent (10%) penalty will be added to the refund for every thirty (30) days the refund is not paid. If We cancel this Service Agreement for any reason other than non-payment of Service Agreement fees or for Your fraud or misrepresentation of facts that are material to the issuance of this Service Agreement or benefits provided under it, You will be notified in writing no less than fifteen (15) days prior to cancellation.

**Missouri only:** If You request cancellation of this Service Agreement within thirty (30) days of the Start Date and the refund is not paid or credited within forty-five (45) days of the date of cancellation, a ten percent (10%) penalty will be added to the refund for every thirty (30) days the refund is not paid. If Your cancellation request is made more than thirty (30) days from the Start Date, You will receive a pro-rata refund of the Service Agreement fee.

**Nevada only:** If You request cancellation of the Service Agreement within thirty (30) days of the Start Date and the refund is not processed within forty-five (45) days of the date of cancellation, a penalty of ten percent (10%) of the Service Agreement fee will be added to the refund for every thirty (30) days the refund is not paid. If You cancel within thirty (30) days of the Start Date and no claims have been paid by Us, You will receive a full refund of Your Service Agreement fee. If You cancel within thirty (30) days of the Start Date and claims have been paid by Us or You cancel this Service Agreement more than thirty (30) days after the Start Date, You will be entitled to a pro-rata refund of any excess unused payment made by You. The Provider may cancel this Service Agreement within

# ARBITRATION OR SMALL CLAIMS ACTIONS.

## THIS ARBITRATION PROVISION DOES NOT APPLY TO RESIDENTS OF OREGON AND WYOMING.

WE HOPE TO MAKE YOU A HAPPY CUSTOMER, BUT IF THERE'S AN ISSUE THAT NEEDS TO BE RESOLVED, THIS SECTION OUTLINES WHAT'S EXPECTED OF ALL OF US. YOU, NORTH AMERICAN WARRANTY, INC. ("WE" or "US") AND HOMESERVE USA REPAIR MANAGEMENT CORP. ("HOMESERVE" or "WE" or "US") ALL AGREE TO RESOLVE DISPUTES ONLY BY FINAL AND BINDING ARBITRATION OR IN SMALL CLAIMS COURT. THERE IS NO JUDGE OR JURY IN ARBITRATION, AND OTHER PROCEDURES ARE DIFFERENT, BUT AN ARBITRATOR CAN AWARD YOU THE SAME DAMAGES AND RELIEF, AND MUST HONOR THE SAME TERMS IN THIS AGREEMENT, AS A COURT WOULD. IF THE LAW ALLOWS FOR AN AWARD OF ATTORNEYS' FEES, AN ARBITRATOR CAN AWARD THEM TOO. WE ALSO ALL AGREE THAT:

A. THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.) AND NOT ANY STATE LAW APPLIES TO THIS AGREEMENT. EXCEPT FOR SMALL CLAIMS COURT CASES THAT QUALIFY, ANY DISPUTE THAT IN ANY WAY RELATES TO OR ARISES OUT OF THIS AGREEMENT OR FROM ANY OTHER AGREEMENT BETWEEN US, OR SERVICES OR BENEFITS YOU RECEIVE OR CLAIM TO BE OWED FROM NORTH AMERICAN WARRANTY, INC. OR HOMESERVE, WILL BE RESOLVED BY ONE OR MORE NEUTRAL ARBITRATORS BEFORE THE AMERICAN ARBITRATION ASSOCIATION ("AAA"), OR ANOTHER ARBITRATION ADMINISTRATOR THAT WE MUTUALLY AGREE UPON. ARBITRATION WILL APPLY NOT ONLY TO CLAIMS AGAINST NORTH AMERICAN WARRANTY, INC. OR HOMESERVE, BUT ALSO CLAIMS AGAINST THE OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES, AGENTS, AFFILIATES, INSURERS, CONTRACTORS, SUCCESSORS OR ASSIGNS OF NORTH AMERICAN WARRANTY, INC. OR HOMESERVE, AS WELL AS THE ADMINISTRATOR, SERVICE AGREEMENT ADMINISTRATOR, ISSUER OR PROVIDER. ARBITRATION AND THIS PARAGRAPH SHALL APPLY TO CLAIMS THAT AROSE AT ANY TIME, INCLUDING CLAIMS ARISING BEFORE THIS PARAGRAPH BECAME BINDING ON THE PARTIES.

B. FOR CLAIMS OVER \$10,000, THE AAA'S ARBITRATION RULES WILL APPLY. FOR CLAIMS OF \$10,000 OR LESS, THE PARTY BRINGING THE CLAIM CAN CHOOSE THE AAA'S RULES FOR BINDING ARBITRATION OR, ALTERNATIVELY, CAN BRING AN INDIVIDUAL ACTION IN SMALL CLAIMS COURT. YOU CAN GET ARBITRATION PROCEDURES, RULES AND FEE INFORMATION FROM THE AAA (WWW.ADR.ORG) OR FROM US. FOR CLAIMS OF \$10,000 OR LESS, YOU CAN CHOOSE WHETHER YOU WOULD LIKE THE ARBITRATION CARRIED OUT BASED ONLY ON DOCUMENTS SUBMITTED TO THE ARBITRATOR, OR BY A HEARING IN-PERSON OR BY PHONE.

C. THIS AGREEMENT DOES NOT ALLOW CLASS OR COLLECTIVE ARBITRATIONS EVEN IF THE AAA PROCEDURES WOULD. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, THE ARBITRATOR SHALL NOT HAVE THE POWER TO DETERMINE THAT CLASS ARBITRATION IS PERMISSIBLE. THE ARBITRATOR ALSO SHALL NOT HAVE THE POWER TO PRESIDE OVER CLASS OR COLLECTIVE ARBITRATION, OR TO AWARD ANY FORM OF CLASSWIDE OR COLLECTIVE REMEDY. INSTEAD, THE ARBITRATOR SHALL HAVE POWER TO AWARD MONEY OR INJUNCTIVE RELIEF ONLY IN FAVOR OF THE INDIVIDUAL PARTY SEEKING RELIEF AND ONLY TO THE EXTENT NECESSARY TO PROVIDE RELIEF WARRANTED BY THAT PARTY'S INDIVIDUAL CLAIM. NO CLASS OR REPRESENTATIVE OR PRIVATE ATTORNEY GENERAL THEORIES OF LIABILITY

OR PRAYERS FOR RELIEF MAY BE MAINTAINED IN ANY ARBITRATION HELD UNDER THIS AGREEMENT. NO AAA RULE WILL APPLY IF IT CONFLICTS WITH THE PROVISIONS OF THIS AGREEMENT. IN ADDITION, NOTWITHSTANDING ANY CONTRARY PROVISION IN THE AAA RULES, THE ARBITRATOR WILL BE BOUND TO APPLY LEGAL PRINCIPLES AND THE LAWS THAT GOVERN THIS AGREEMENT, AND DOES NOT HAVE THE POWER TO AWARD ANY RELIEF THAT IS NOT AUTHORIZED BY SUCH LAWS.

D. IF YOU, NORTH AMERICAN WARRANTY, INC., HOMESERVE OR A RELATED PARTY BENEFITTED BY THIS AGREEMENT INTENDS TO SEEK ARBITRATION, THE PARTY SEEKING ARBITRATION MUST FIRST NOTIFY THE OTHER PARTY OF THE DISPUTE IN WRITING AT LEAST 30 DAYS IN ADVANCE OF INITIATING THE ARBITRATION. A REQUEST TO ARBITRATE A DISPUTE MAY BE MADE AT ANY TIME, EVEN IF A COURT ACTION HAS BEEN FILED, SO LONG AS NO FINAL JUDGMENT HAS BEEN GRANTED. NOTICE TO HOMESERVE SHOULD BE SENT TO 601 MERRITT 7, 6TH FLOOR, NORWALK, CONNECTICUT 06851, ATTN: LEGAL DEPARTMENT. THE NOTICE MUST DESCRIBE THE NATURE OF THE CLAIM AND THE RELIEF BEING SOUGHT. IF WE ARE UNABLE TO RESOLVE OUR DISPUTE WITHIN 30 DAYS, EITHER PARTY MAY THEN PROCEED TO FILE A CLAIM FOR ARBITRATION. HOMESERVE WILL PAY ANY FILING FEE, ADMINISTRATION, SERVICE OR CASE MANAGEMENT FEE, AND ARBITRATOR FEE THAT THE AAA CHARGES YOU FOR ARBITRATION OF THE DISPUTE, UP TO A MAXIMUM OF \$1,500; PROVIDED, HOWEVER, THAT THE ARBITRATOR MAY AWARD COSTS AND EXPENSES TO ANY PARTY, IF ALLOWED BY LAW. IF YOU PROVIDE US WITH SIGNED WRITTEN NOTICE THAT YOU CANNOT PAY THE FILING FEE, HOMESERVE WILL PAY THE FEE DIRECTLY TO THE AAA.

E. IF FOR SOME REASON THE PROHIBITION ON CLASS ARBITRATIONS SET FORTH IN SUBSECTION C CANNOT BE ENFORCED, THEN THE AGREEMENT TO ARBITRATE WILL NOT APPLY.

F. IF FOR ANY REASON A CLAIM PROCEEDS IN COURT RATHER THAN THROUGH ARBITRATION, YOU, NORTH AMERICAN WARRANTY, INC. AND HOMESERVE AGREE THAT THERE WILL NOT BE A JURY TRIAL. YOU, NORTH AMERICAN WARRANTY, INC. AND HOMESERVE UNCONDITIONALLY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING IN ANY WAY TO THIS AGREEMENT OR FROM ANY OTHER AGREEMENT BETWEEN US, OR THE SERVICES OR BENEFITS YOU RECEIVE OR CLAIM TO BE OWED FROM NORTH AMERICAN WARRANTY, INC. OR HOMESERVE, INCLUDING AS TO CLAIMS ASSERTED AGAINST ANY OF THE OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES, AGENTS, AFFILIATES, INSURERS, CONTRACTORS, SUCCESSORS OR ASSIGNS OF NORTH AMERICAN WARRANTY, INC. OR HOMESERVE, AS WELL AS THE ADMINISTRATOR, SERVICE AGREEMENT ADMINISTRATOR, ISSUER OR PROVIDER.

[NOTE: IF YOU ARE AN EXISTING CUSTOMER THIS PROVISION SHALL BECOME EFFECTIVE AS OF YOUR FIRST ANNUAL RENEWAL OCCURRING AFTER [MONTH, DAY, YEAR].]