

4431 William Penn Hwy, Suite 1
Murrysville, PA 15668
888-335-6838
carsprotectionplus.com



- ☐ 3 Months/4,500 Miles
- ☐ 3 Months/Unlimited Miles
- ☐ 6 Months/7,500 Miles
- ☐ 12 Months/15,000 Miles
- ☐ 24 Months/30,000 Miles
- ☐ 36 Months/45,000 Miles
- ☐ 48 Months/55,000 Miles

Form B1002 1607

VALUE LIMITED APPLICATION/SERVICE CONTRACT

OWNER'S NAME _____
ADDRESS _____
CITY _____ STATE _____ ZIP _____
PHONE _____
OWNER'S EMAIL _____
LIENHOLDER _____
DEALER'S NAME _____
DEALER'S PHONE NO. _____
(AS SUBMITTED ON YOUR DEALER AGREEMENT)

DATE OF VEHICLE PURCHASE _____
(MUST BE RECEIVED BY CARS WITHIN 30 DAYS)
VIN # _____
YEAR _____ MAKE _____
MODEL _____
CURRENT ODOMETER READING _____
VEHICLE PURCHASE PRICE _____
SERVICE CONTRACT PURCHASE PRICE (REQUIRED) _____

COVERED COMPONENTS

ENGINE Cylinder heads; intake manifold; pistons; piston rings; wrist pins; connecting rods and bearings; crankshaft and bearings; camshaft and bearings; timing chain; timing guides; timing chain tensioner; timing gears; valve covers; rocker arms/shafts and bushings; intake/exhaust valves and valve springs, seats, guides, push rods and hydraulic lifters; oil pump; oil pan; serpentine belt tensioner; and fly wheel. Lubricated parts contained within the engine block. Engine block only if damaged by a covered component internal to the engine block. **EXAMPLES OF NOT COVERED: timing belt, fuel injectors, turbo chargers, supercharger, EGR cooler, oil cooler, head bolts and valve seals.**

AUTOMATIC TRANSMISSION/TRANSFER CASE Torque converter; bands; pump; pump housing; carrier assembly; planetary gears; chain; drums; reaction shaft; governor; valve body; and servo assemblies. Lubricated parts contained within the transmission or transfer case housing. Transmission/transfer case only if damaged by a covered component internal to the transmission/transfer case housing. **EXAMPLES OF NOT COVERED: transmission solenoids, TCM reprogramming, mechatronics unit and conductor plate.**

MANUAL TRANSMISSION/TRANSFER CASE Main shaft; counter shaft; all gears; chain; input shaft; hub assemblies; synchronizers; shift rails; shift fork; and internal transmission bearings. Lubricated parts contained within the transmission or transfer case housing. Transmission/transfer case only if damaged by a covered component internal to the transmission/transfer case housing. **EXAMPLES OF NOT COVERED: manual clutch and related components.**

SUSPENSION Ball joints; leaf, air and coil springs only if broken.

DRIVE AXLE ASSEMBLY Lubricated parts contained within the front and rear drive axle housing; pinion bearings; wheel bearings; side carrier bearings; ring and pinion; side gears; spider gears and case; drive shaft; universal joints; constant velocity joints; and 4x4 hubs. Front or rear drive axle housing only if damaged by a lubricated part contained within the drive axle housing.

SEALS & GASKETS Seals and gaskets are covered **only** when required in conjunction with the replacement of a covered component. Additionally, cylinder head gaskets are covered for combustion and coolant leaks. Intake manifold gaskets are covered for coolant leaks only. **EXAMPLES OF NOT COVERED: oil, vacuum leaks and valve seals.**

STEERING COMPONENTS Power steering pump/motor; gear box; rack and pinion; and high pressure lines. Steering box, rack and pump housing only if damaged by a lubricated part internal to that component.

BRAKE COMPONENTS Master cylinder; wheel cylinders; calipers; ABS hydraulic components; ABS wheel speed sensors; and ABS control module. **EXAMPLES OF NOT COVERED: drums, rotors, pads, linings, hoses, lines and wiring.**

ENGINE COOLING SYSTEM Electric cooling fan motor; water pump; fan clutch; and thermostat.

ELECTRICAL COMPONENTS Starter motor; alternator; and front and rear window wiper motor.

LABOR The authorized time for a covered repair will be based on the ProDemand labor guide. The hourly labor rate will be the repair facility's rate **up to \$60.00 per hour**. Should Your repair facility's rate exceed this amount, **You are responsible for the difference.** **EXAMPLES OF NOT COVERED: tear-down, diagnosis and non-covered components.**

RENTAL BENEFITS The Service Contract Holder will be reimbursed \$25.00 for each eight hours of ProDemand labor guide time to repair or replace the covered component with a maximum benefit of \$300.00 per claim, if proof of rental is provided with an authorized claim. Down time, regardless of reason, is not included.

TOWING We will reimburse up to a maximum of \$50.00, if proof of towing is provided with an authorized claim.

COMPONENTS NOT LISTED ARE NOT COVERED, REGARDLESS OF FAILURE. SEE REVERSE SIDE FOR TERMS AND CONDITIONS.

ACCEPTANCE TO TERMS

I have read, understand, and agree to the Covered Components and Terms and Conditions as stated on this entire Service Contract application. **This Service Contract application does NOT go into effect until:** (1) this completed application is **received** by CARS, (2) with **proper payment**, and (3) **approved by CARS**, which **MAY BE DIFFERENT** than My date of vehicle purchase. I understand, if approved, this Service Contract application becomes My Service Contract. I certify the information above is correct. I will contact CARS if I have not received a CARS I.D. card within **15 days**. I am responsible for non-covered charges and a **\$100.00 deductible per claim**. I acknowledge receipt of My copy of this Service Contract application.

OWNER'S ACCEPTANCE TO TERMS _____

SIGN HERE

DATE _____

CARS COPY

Definitions: ♦ **Administrator, Obligor**- C.A.R.S. Protection Plus, Inc. ("CARS"). ♦ **Contract Application**- this offer to provide vehicle Service Contract coverage according to the terms and conditions of this application. ♦ **Effective Date**- the date provided on Your CARS I.D. card mailed to You showing the date the contract application was approved by CARS. ♦ **Insurer**- Dealers Assurance Company, 240 N. 5th Street, Suite 350, Columbus, OH 43215, 800-282-8913. ♦ **Service Contract**- a Contract Application received by CARS with proper payment and approved by CARS. ♦ **You, Your, Owner**- the applicant and contract holder.

1. COMPONENTS AND EXPENSES NOT COVERED:

- Components not listed regardless of failure. Coverage limited to this specific version of the contract, regardless of other revisions.
- Component failures occurring before the date CARS receives and approves this Service Contract application are not covered.**
- Any repair done without prior authorization from CARS.
- CARS does 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: **WHEELS/TIRES** (not to manufacturer's specifications); lift/lowering kits; emission/exhaust; and engine.
- Diagnostic and tear-down charges.
- Damage/failure to a covered component caused by a NON-covered component.**
- Repairs performed due to improper diagnosis.
- Fluids, Freon and filters.
- Damage resulting from any previous improper repair.
- Parts and labor needed to maintain Your vehicle (oil, filters, etc.).
- Parts of the vehicle subject to regular maintenance (belts, hoses, etc.).
- Damage from flood, fire, impact, and/or accident, regardless of the cause.
- Damage from conditions of the environment, including rust and corrosion.
- Damage from altering, misusing or tampering with the vehicle, making improper adjustments or using improper fuels or fluids.
- Damage resulting from failure to maintain Your vehicle according to Your manufacturer's maintenance requirements.**
- Damage/failure caused by carbon, sludge, or water ingestion.
- Fluid leaks and damage caused by fluid leaks.
- Taxes and NON-covered repair facility charges.
- CARS does not provide any coverage if, at any time, the vehicle has/had an inoperative cluster, odometer, and/or odometer display, regardless if repaired.

2. PROVISIONS OF THE SERVICE CONTRACT:

- The Service Contract is between You and CARS and is administered by C.A.R.S. Protection Plus, Inc., 4431 William Penn Highway, Suite 1, Murrysville, PA 15668, toll-free 888-335-6838, carsprotectionplus.com.
- You are responsible to contact CARS should you not receive a CARS I.D. card via mail within 15 days from applying for a Service Contract. An issued I.D. card will become part of Your Service Contract and is incorporated by reference.**
- This Service Contract application does NOT go into effect until:** (1) this completed application is **received** by CARS, (2) with **proper payment**, and (3) **approved by CARS**, which **MAY BE DIFFERENT** than Your date of vehicle purchase. This Service Contract will last for the time period or mileage indicated, whichever occurs first, so long as You own the vehicle.
- Total cumulative benefits under the Service Contract will not exceed the NADA Clean Loan value as of the Effective Date, or the vehicle purchase price, whichever is less.
- CARS reserves the right to reject any Service Contract application.
- Your odometer **MUST** display and function at all times, regardless of Your mileage limitations. If there has been an inaccuracy, tampering, or alteration to the odometer mileage so that 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 CARS, CARS will cancel Your Service Contract and issue a monthly prorated refund of the amount received by CARS, less claims paid.
- If, at any time, it is determined Your vehicle is altered or modified from original manufacturer's specifications, CARS would consider this a material misrepresentation. Upon discovery by CARS, CARS will cancel Your Service Contract and issue a monthly prorated refund of the amount received by CARS, less claims paid.
- 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.
- 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.
- While the Service Contract is in effect, the claim must be opened during CARS' normal business hours M-F, 9:00 a.m. to 4:30 p.m., EST.
- CARS will arrange for payment of the amount of the authorized repair, less related charges not covered by the Service Contract, **less a \$100.00 deductible per claim.**
- You must provide the last eight digits of Your VIN # when contacting CARS.
- CARS 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.
- CARS does not allow any third party to create any obligation or liability in connection with the Service Contract.
- The selling dealer is not an agent of CARS.
- You may have additional state-specific rights. See attached State Disclosures.
- This Service Contract shall be interpreted and subject to the laws of the state where

the sale of the vehicle took place regardless of where a claim or mechanical failure occurs or where You reside.

- Venue for all disputes shall be in the state in which the Service Contract was sold.
- CARS' obligations under this Service Contract are insured by Dealers Assurance Company, 240 N. 5th Street, Suite 350, Columbus, OH 43215, 800-282-8913. You are entitled to make a direct claim against the Insurer upon the failure of the Administrator/Obligor to pay any covered claim within 60 days after a complete proof of loss has been filed with CARS.**
- You must retain all vehicle maintenance/repair records for review by CARS.
- Coverage is superseded by any manufacturer's warranty, TSB/factory bulletin, recall or warranty on a previous repair.
- Purchase of this Service Contract is not required in order to purchase or obtain financing for a motor vehicle.

3. 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 THESE CLAIM PROCEDURES AS FOLLOWS:

- Your vehicle must be at a repair facility, of Your choosing, within the continental United States, **CAPABLE TO:** (1) perform tear-down to the point of failure, (2) determine the cause and extent of damage, and (3) rebuild the component. The vehicle **MUST REMAIN** at the repair facility until repairs are complete. If Your repair facility is unwilling or unable to work with CARS, You may be required to choose another repair facility.
- The repair facility must call CARS at 888-335-6838 to open a claim BEFORE any repairs have begun.**
- A proper diagnosis** shall include **tear-down to the point of component failure**, performed by the repair facility, to determine the cause of failure and extent of damage. **YOU ARE RESPONSIBLE FOR THESE CHARGES.** Your repair facility **MUST** provide CARS with an estimate for the covered repair to obtain an Authorization number **BEFORE** any repairs have begun.
- CARS has the right to inspect the vehicle. If Your 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.
- CARS has the option to select used, rebuilt or aftermarket components when authorizing repairs.**
- If it is determined a covered component has failed and an estimate for the repairs is approved by CARS, 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, repair facility's warranty on repairs (if applicable) and repair facility's identifying information.

4. SERVICE CONTRACT TRANSFER PROVISIONS:

- The Service Contract is transferable, by the original purchaser of the contract, to the subsequent owner of the vehicle provided CARS receives the transfer fee of \$99.00 within three business days of the vehicle sale. CARS will not transfer the contract to another vehicle or to a business. The transferred Service Contract will remain in effect pursuant to the terms and conditions of the original Service Contract.
- Without payment of the transfer fee, the Service Contract cannot be re-assigned and will be void at the time the vehicle is transferred.
- The new customer is responsible for all maintenance records from the original Effective Date of the Service Contract.

5. CANCELLATION PROVISIONS - ALL REQUESTED CANCELLATIONS/REFUNDS MUST BE IN WRITING AND WILL BE PROCESSED THROUGH YOUR LIENHOLDER, IF ANY, OR YOUR SELLING DEALER. ANY CANCELLED CONTRACT IS VOID AND WILL NOT BE REINSTATED.

- You may cancel this Service Contract for a full refund within the first 20 days from the Effective Date provided no claim has been made.
- Within the first 20 days from the Effective Date, if a claim has been made You may cancel this Service Contract for a monthly prorated refund, less any claims paid or approved for payment, less an administration fee of \$50.00.
- After 20 days from the Effective Date, there is no refund except in the case of a total loss, as determined by the insurance carrier, or repossession by the lienholder, and as long as no claim was made. If eligible, CARS will cancel this Service Contract for a monthly prorated refund, less an administration fee of \$50.00.
- CARS 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 CARS for any other reason, then CARS shall mail a written notice to Your last known address at least five days prior to cancellation. The notice shall state the reason and effective date of the cancellation. If cancelled, CARS shall provide a monthly prorated refund of the amount received by CARS, less any claims paid or approved for payment.

6. PRIVACY POLICY

- To review the General Policy of CARS, please visit carsprotectionplus.com/privacy-policy.

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OWNER'S NAME _____
ADDRESS _____
CITY _____ STATE _____ ZIP _____
PHONE _____
OWNER'S EMAIL _____
LIENHOLDER _____
DEALER'S NAME _____
DEALER'S PHONE NO. _____
(AS SUBMITTED ON YOUR DEALER AGREEMENT)

DATE OF VEHICLE PURCHASE _____
(MUST BE RECEIVED BY CARS WITHIN 30 DAYS)
VIN # _____
YEAR _____ MAKE _____
MODEL _____
CURRENT ODOMETER READING _____
VEHICLE PURCHASE PRICE _____
SERVICE CONTRACT PURCHASE PRICE (REQUIRED) _____

COVERED COMPONENTS

ENGINE Cylinder heads; intake manifold; pistons; piston rings; wrist pins; connecting rods and bearings; crankshaft and bearings; camshaft and bearings; timing chain; timing guides; timing chain tensioner; timing gears; valve covers; rocker arms/shafts and bushings; intake/exhaust valves and valve springs, seats, guides, push rods and hydraulic lifters; oil pump; oil pan; serpentine belt tensioner; and fly wheel. Lubricated parts contained within the engine block. Engine block only if damaged by a covered component internal to the engine block. **EXAMPLES OF NOT COVERED: timing belt, fuel injectors, turbo chargers, supercharger, EGR cooler, oil cooler, head bolts and valve seals.**

AUTOMATIC TRANSMISSION/TRANSFER CASE Torque converter; bands; pump; pump housing; carrier assembly; planetary gears; chain; drums; reaction shaft; governor; valve body; and servo assemblies. Lubricated parts contained within the transmission or transfer case housing. Transmission/transfer case only if damaged by a covered component internal to the transmission/transfer case housing. **EXAMPLES OF NOT COVERED: transmission solenoids, TCM reprogramming, mechatronics unit and conductor plate.**

MANUAL TRANSMISSION/TRANSFER CASE Main shaft; counter shaft; all gears; chain; input shaft; hub assemblies; synchronizers; shift rails; shift fork; and internal transmission bearings. Lubricated parts contained within the transmission or transfer case housing. Transmission/transfer case only if damaged by a covered component internal to the transmission/transfer case housing. **EXAMPLES OF NOT COVERED: manual clutch and related components.**

SUSPENSION Ball joints; leaf, air and coil springs only if broken.

DRIVE AXLE ASSEMBLY Lubricated parts contained within the front and rear drive axle housing; pinion bearings; wheel bearings; side carrier bearings; ring and pinion; side gears; spider gears and case; drive shaft; universal joints; constant velocity joints; and 4x4 hubs. Front or rear drive axle housing only if damaged by a lubricated part contained within the drive axle housing.

SEALS & GASKETS Seals and gaskets are covered **only** when required in conjunction with the replacement of a covered component. Additionally, cylinder head gaskets are covered for combustion and coolant leaks. Intake manifold gaskets are covered for coolant leaks only. **EXAMPLES OF NOT COVERED: oil, vacuum leaks and valve seals.**

STEERING COMPONENTS Power steering pump/motor; gear box; rack and pinion; and high pressure lines. Steering box, rack and pump housing only if damaged by a lubricated part internal to that component.

BRAKE COMPONENTS Master cylinder; wheel cylinders; calipers; ABS hydraulic components; ABS wheel speed sensors; and ABS control module. **EXAMPLES OF NOT COVERED: drums, rotors, pads, linings, hoses, lines and wiring.**

ENGINE COOLING SYSTEM Electric cooling fan motor; water pump; fan clutch; and thermostat.

ELECTRICAL COMPONENTS Starter motor; alternator; and front and rear window wiper motor.

LABOR The authorized time for a covered repair will be based on the ProDemand labor guide. The hourly labor rate will be the repair facility's rate **up to \$60.00 per hour**. Should Your repair facility's rate exceed this amount, **You are responsible for the difference.** **EXAMPLES OF NOT COVERED: tear-down, diagnosis and non-covered components.**

RENTAL BENEFITS The Service Contract Holder will be reimbursed \$25.00 for each eight hours of ProDemand labor guide time to repair or replace the covered component with a maximum benefit of \$300.00 per claim, if proof of rental is provided with an authorized claim. Down time, regardless of reason, is not included.

TOWING We will reimburse up to a maximum of \$50.00, if proof of towing is provided with an authorized claim.

COMPONENTS NOT LISTED ARE NOT COVERED, REGARDLESS OF FAILURE. SEE REVERSE SIDE FOR TERMS AND CONDITIONS.

ACCEPTANCE TO TERMS

I have read, understand, and agree to the Covered Components and Terms and Conditions as stated on this entire Service Contract application. **This Service Contract application does NOT go into effect until:** (1) this completed application is **received** by CARS, (2) with **proper payment**, and (3) **approved by CARS**, which **MAY BE DIFFERENT** than My date of vehicle purchase. I understand, if approved, this Service Contract application becomes My Service Contract. I certify the information above is correct. I will contact CARS if I have not received a CARS I.D. card within **15 days**. I am responsible for non-covered charges and a **\$100.00 deductible per claim**. I acknowledge receipt of My copy of this Service Contract application.

OWNER'S ACCEPTANCE TO TERMS _____

SIGN HERE

DATE _____

DEALER COPY

Definitions: ♦ **Administrator, Obligor**- C.A.R.S. Protection Plus, Inc. ("CARS"). ♦ **Contract Application**- this offer to provide vehicle Service Contract coverage according to the terms and conditions of this application. ♦ **Effective Date**- the date provided on Your CARS I.D. card mailed to You showing the date the contract application was approved by CARS. ♦ **Insurer**- Dealers Assurance Company, 240 N. 5th Street, Suite 350, Columbus, OH 43215, 800-282-8913. ♦ **Service Contract**- a Contract Application received by CARS with proper payment and approved by CARS. ♦ **You, Your, Owner**- the applicant and contract holder.

1. COMPONENTS AND EXPENSES NOT COVERED:

- Components not listed regardless of failure. Coverage limited to this specific version of the contract, regardless of other revisions.
- Component failures occurring before the date CARS receives and approves this Service Contract application are not covered.**
- Any repair done without prior authorization from CARS.
- CARS does 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: **WHEELS/TIRES** (not to manufacturer's specifications); lift/lowering kits; emission/exhaust; and engine.
- Diagnostic and tear-down charges.
- Damage/failure to a covered component caused by a NON-covered component.**
- Repairs performed due to improper diagnosis.
- Fluids, Freon and filters.
- Damage resulting from any previous improper repair.
- Parts and labor needed to maintain Your vehicle (oil, filters, etc.).
- Parts of the vehicle subject to regular maintenance (belts, hoses, etc.).
- Damage from flood, fire, impact, and/or accident, regardless of the cause.
- Damage from conditions of the environment, including rust and corrosion.
- Damage from altering, misusing or tampering with the vehicle, making improper adjustments or using improper fuels or fluids.
- Damage resulting from failure to maintain Your vehicle according to Your manufacturer's maintenance requirements.**
- Damage/failure caused by carbon, sludge, or water ingestion.
- Fluid leaks and damage caused by fluid leaks.
- Taxes and NON-covered repair facility charges.
- CARS does not provide any coverage if, at any time, the vehicle has/had an inoperative cluster, odometer, and/or odometer display, regardless if repaired.

2. PROVISIONS OF THE SERVICE CONTRACT:

- The Service Contract is between You and CARS and is administered by C.A.R.S. Protection Plus, Inc., 4431 William Penn Highway, Suite 1, Murrysville, PA 15668, toll-free 888-335-6838, carsprotectionplus.com.
- You are responsible to contact CARS should you not receive a CARS I.D. card via mail within 15 days from applying for a Service Contract. An issued I.D. card will become part of Your Service Contract and is incorporated by reference.**
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- Total cumulative benefits under the Service Contract will not exceed the NADA Clean Loan value as of the Effective Date, or the vehicle purchase price, whichever is less.
- CARS reserves the right to reject any Service Contract application.
- Your odometer **MUST** display and function at all times, regardless of Your mileage limitations. If there has been an inaccuracy, tampering, or alteration to the odometer mileage so that 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 CARS, CARS will cancel Your Service Contract and issue a monthly prorated refund of the amount received by CARS, less claims paid.
- If, at any time, it is determined Your vehicle is altered or modified from original manufacturer's specifications, CARS would consider this a material misrepresentation. Upon discovery by CARS, CARS will cancel Your Service Contract and issue a monthly prorated refund of the amount received by CARS, less claims paid.
- 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.
- 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.
- While the Service Contract is in effect, the claim must be opened during CARS' normal business hours M-F, 9:00 a.m. to 4:30 p.m., EST.
- CARS will arrange for payment of the amount of the authorized repair, less related charges not covered by the Service Contract, **less a \$100.00 deductible per claim.**
- You must provide the last eight digits of Your VIN # when contacting CARS.
- CARS 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.
- CARS does not allow any third party to create any obligation or liability in connection with the Service Contract.
- The selling dealer is not an agent of CARS.
- You may have additional state-specific rights. See attached State Disclosures.
- This Service Contract shall be interpreted and subject to the laws of the state where

the sale of the vehicle took place regardless of where a claim or mechanical failure occurs or where You reside.

- Venue for all disputes shall be in the state in which the Service Contract was sold.
 - CARS' obligations under this Service Contract are insured by Dealers Assurance Company, 240 N. 5th Street, Suite 350, Columbus, OH 43215, 800-282-8913. You are entitled to make a direct claim against the Insurer upon the failure of the Administrator/Obligor to pay any covered claim within 60 days after a complete proof of loss has been filed with CARS.**
 - You must retain all vehicle maintenance/repair records for review by CARS.
 - Coverage is superseded by any manufacturer's warranty, TSB/factory bulletin, recall or warranty on a previous repair.
 - Purchase of this Service Contract is not required in order to purchase or obtain financing for a motor vehicle.
- ## 3. 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 THESE CLAIM PROCEDURES AS FOLLOWS:
- Your vehicle must be at a repair facility, of Your choosing, within the continental United States, **CAPABLE TO:** (1) perform tear-down to the point of failure, (2) determine the cause and extent of damage, and (3) rebuild the component. The vehicle **MUST REMAIN** at the repair facility until repairs are complete. If Your repair facility is unwilling or unable to work with CARS, You may be required to choose another repair facility.
 - The repair facility must call CARS at 888-335-6838 to open a claim BEFORE any repairs have begun.**
 - A **proper diagnosis** shall include **tear-down to the point of component failure**, performed by the repair facility, to determine the cause of failure and extent of damage. **YOU ARE RESPONSIBLE FOR THESE CHARGES.** Your repair facility **MUST** provide CARS with an estimate for the covered repair to obtain an Authorization number **BEFORE** any repairs have begun.
 - CARS has the right to inspect the vehicle. If Your 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.
 - CARS has the option to select used, rebuilt or aftermarket components when authorizing repairs.**
 - If it is determined a covered component has failed and an estimate for the repairs is approved by CARS, 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, repair facility's warranty on repairs (if applicable) and repair facility's identifying information.
- ## 4. SERVICE CONTRACT TRANSFER PROVISIONS:
- The Service Contract is transferable, by the original purchaser of the contract, to the subsequent owner of the vehicle provided CARS receives the transfer fee of \$99.00 within three business days of the vehicle sale. CARS will not transfer the contract to another vehicle or to a business. The transferred Service Contract will remain in effect pursuant to the terms and conditions of the original Service Contract.
 - Without payment of the transfer fee, the Service Contract cannot be re-assigned and will be void at the time the vehicle is transferred.
 - The new customer is responsible for all maintenance records from the original Effective Date of the Service Contract.
- ## 5. CANCELLATION PROVISIONS - ALL REQUESTED CANCELLATIONS/REFUNDS MUST BE IN WRITING AND WILL BE PROCESSED THROUGH YOUR LIENHOLDER, IF ANY, OR YOUR SELLING DEALER. ANY CANCELLED CONTRACT IS VOID AND WILL NOT BE REINSTATED.
- You may cancel this Service Contract for a full refund within the first 20 days from the Effective Date provided no claim has been made.
 - Within the first 20 days from the Effective Date, if a claim has been made You may cancel this Service Contract for a monthly prorated refund, less any claims paid or approved for payment, less an administration fee of \$50.00.
 - After 20 days from the Effective Date, there is no refund except in the case of a total loss, as determined by the insurance carrier, or repossession by the lienholder, and as long as no claim was made. If eligible, CARS will cancel this Service Contract for a monthly prorated refund, less an administration fee of \$50.00.
 - CARS 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 CARS for any other reason, then CARS shall mail a written notice to Your last known address at least five days prior to cancellation. The notice shall state the reason and effective date of the cancellation. If cancelled, CARS shall provide a monthly prorated refund of the amount received by CARS, less any claims paid or approved for payment.
- ## 6. PRIVACY POLICY
- To review the General Policy of CARS, please visit carsprotectionplus.com/privacy-policy.

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OWNER'S EMAIL _____
LIENHOLDER _____
DEALER'S NAME _____
DEALER'S PHONE NO. _____
(AS SUBMITTED ON YOUR DEALER AGREEMENT)

DATE OF VEHICLE PURCHASE _____
(MUST BE RECEIVED BY CARS WITHIN 30 DAYS)
VIN # _____
YEAR _____ MAKE _____
MODEL _____
CURRENT ODOMETER READING _____
VEHICLE PURCHASE PRICE _____
SERVICE CONTRACT PURCHASE PRICE (REQUIRED) _____

COVERED COMPONENTS

ENGINE Cylinder heads; intake manifold; pistons; piston rings; wrist pins; connecting rods and bearings; crankshaft and bearings; camshaft and bearings; timing chain; timing guides; timing chain tensioner; timing gears; valve covers; rocker arms/shafts and bushings; intake/exhaust valves and valve springs, seats, guides, push rods and hydraulic lifters; oil pump; oil pan; serpentine belt tensioner; and fly wheel. Lubricated parts contained within the engine block. Engine block only if damaged by a covered component internal to the engine block. **EXAMPLES OF NOT COVERED: timing belt, fuel injectors, turbo chargers, supercharger, EGR cooler, oil cooler, head bolts and valve seals.**

AUTOMATIC TRANSMISSION/TRANSFER CASE Torque converter; bands; pump; pump housing; carrier assembly; planetary gears; chain; drums; reaction shaft; governor; valve body; and servo assemblies. Lubricated parts contained within the transmission or transfer case housing. Transmission/transfer case only if damaged by a covered component internal to the transmission/transfer case housing. **EXAMPLES OF NOT COVERED: transmission solenoids, TCM reprogramming, mechatronics unit and conductor plate.**

MANUAL TRANSMISSION/TRANSFER CASE Main shaft; counter shaft; all gears; chain; input shaft; hub assemblies; synchronizers; shift rails; shift fork; and internal transmission bearings. Lubricated parts contained within the transmission or transfer case housing. Transmission/transfer case only if damaged by a covered component internal to the transmission/transfer case housing. **EXAMPLES OF NOT COVERED: manual clutch and related components.**

SUSPENSION Ball joints; leaf, air and coil springs only if broken.

DRIVE AXLE ASSEMBLY Lubricated parts contained within the front and rear drive axle housing; pinion bearings; wheel bearings; side carrier bearings; ring and pinion; side gears; spider gears and case; drive shaft; universal joints; constant velocity joints; and 4x4 hubs. Front or rear drive axle housing only if damaged by a lubricated part contained within the drive axle housing.

SEALS & GASKETS Seals and gaskets are covered **only** when required in conjunction with the replacement of a covered component. Additionally, cylinder head gaskets are covered for combustion and coolant leaks. Intake manifold gaskets are covered for coolant leaks only. **EXAMPLES OF NOT COVERED: oil, vacuum leaks and valve seals.**

STEERING COMPONENTS Power steering pump/motor; gear box; rack and pinion; and high pressure lines. Steering box, rack and pump housing only if damaged by a lubricated part internal to that component.

BRAKE COMPONENTS Master cylinder; wheel cylinders; calipers; ABS hydraulic components; ABS wheel speed sensors; and ABS control module. **EXAMPLES OF NOT COVERED: drums, rotors, pads, linings, hoses, lines and wiring.**

ENGINE COOLING SYSTEM Electric cooling fan motor; water pump; fan clutch; and thermostat.

ELECTRICAL COMPONENTS Starter motor; alternator; and front and rear window wiper motor.

LABOR The authorized time for a covered repair will be based on the ProDemand labor guide. The hourly labor rate will be the repair facility's rate **up to \$60.00 per hour**. Should Your repair facility's rate exceed this amount, **You are responsible for the difference.** **EXAMPLES OF NOT COVERED: tear-down, diagnosis and non-covered components.**

RENTAL BENEFITS The Service Contract Holder will be reimbursed \$25.00 for each eight hours of ProDemand labor guide time to repair or replace the covered component with a maximum benefit of \$300.00 per claim, if proof of rental is provided with an authorized claim. Down time, regardless of reason, is not included.

TOWING We will reimburse up to a maximum of \$50.00, if proof of towing is provided with an authorized claim.

COMPONENTS NOT LISTED ARE NOT COVERED, REGARDLESS OF FAILURE. SEE REVERSE SIDE FOR TERMS AND CONDITIONS.

ACCEPTANCE TO TERMS

I have read, understand, and agree to the Covered Components and Terms and Conditions as stated on this entire Service Contract application. **This Service Contract application does NOT go into effect until:** (1) this completed application is **received** by CARS, (2) with **proper payment**, and (3) **approved by CARS**, which **MAY BE DIFFERENT** than My date of vehicle purchase. I understand, if approved, this Service Contract application becomes My Service Contract. I certify the information above is correct. I will contact CARS if I have not received a CARS I.D. card within **15 days**. I am responsible for non-covered charges and a **\$100.00 deductible per claim**. I acknowledge receipt of My copy of this Service Contract application.

OWNER'S ACCEPTANCE TO TERMS _____

SIGN HERE

DATE _____

CUSTOMER COPY

Definitions: ♦ **Administrator, Obligor**- C.A.R.S. Protection Plus, Inc. ("CARS"). ♦ **Contract Application**- this offer to provide vehicle Service Contract coverage according to the terms and conditions of this application. ♦ **Effective Date**- the date provided on Your CARS I.D. card mailed to You showing the date the contract application was approved by CARS. ♦ **Insurer**- Dealers Assurance Company, 240 N. 5th Street, Suite 350, Columbus, OH 43215, 800-282-8913. ♦ **Service Contract**- a Contract Application received by CARS with proper payment and approved by CARS. ♦ **You, Your, Owner**- the applicant and contract holder.

1. COMPONENTS AND EXPENSES NOT COVERED:

- Components not listed regardless of failure. Coverage limited to this specific version of the contract, regardless of other revisions.
- Component failures occurring before the date CARS receives and approves this Service Contract application are not covered.**
- Any repair done without prior authorization from CARS.
- CARS does 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: **WHEELS/TIRES** (not to manufacturer's specifications); lift/lowering kits; emission/exhaust; and engine.
- Diagnostic and tear-down charges.
- Damage/failure to a covered component caused by a NON-covered component.**
- Repairs performed due to improper diagnosis.
- Fluids, Freon and filters.
- Damage resulting from any previous improper repair.
- Parts and labor needed to maintain Your vehicle (oil, filters, etc.).
- Parts of the vehicle subject to regular maintenance (belts, hoses, etc.).
- Damage from flood, fire, impact, and/or accident, regardless of the cause.
- Damage from conditions of the environment, including rust and corrosion.
- Damage from altering, misusing or tampering with the vehicle, making improper adjustments or using improper fuels or fluids.
- Damage resulting from failure to maintain Your vehicle according to Your manufacturer's maintenance requirements.**
- Damage/failure caused by carbon, sludge, or water ingestion.
- Fluid leaks and damage caused by fluid leaks.
- Taxes and NON-covered repair facility charges.
- CARS does not provide any coverage if, at any time, the vehicle has/had an inoperative cluster, odometer, and/or odometer display, regardless if repaired.

2. PROVISIONS OF THE SERVICE CONTRACT:

- The Service Contract is between You and CARS and is administered by C.A.R.S. Protection Plus, Inc., 4431 William Penn Highway, Suite 1, Murrysville, PA 15668, toll-free 888-335-6838, carsprotectionplus.com.
- You are responsible to contact CARS should you not receive a CARS I.D. card via mail within 15 days from applying for a Service Contract. An issued I.D. card will become part of Your Service Contract and is incorporated by reference.**
- This Service Contract application does NOT go into effect until:** (1) this completed application is **received** by CARS, (2) with **proper payment**, and (3) **approved by CARS**, which **MAY BE DIFFERENT** than Your date of vehicle purchase. This Service Contract will last for the time period or mileage indicated, whichever occurs first, so long as You own the vehicle.
- Total cumulative benefits under the Service Contract will not exceed the NADA Clean Loan value as of the Effective Date, or the vehicle purchase price, whichever is less.
- CARS reserves the right to reject any Service Contract application.
- Your odometer **MUST** display and function at all times, regardless of Your mileage limitations. If there has been an inaccuracy, tampering, or alteration to the odometer mileage so that 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 CARS, CARS will cancel Your Service Contract and issue a monthly prorated refund of the amount received by CARS, less claims paid.
- If, at any time, it is determined Your vehicle is altered or modified from original manufacturer's specifications, CARS would consider this a material misrepresentation. Upon discovery by CARS, CARS will cancel Your Service Contract and issue a monthly prorated refund of the amount received by CARS, less claims paid.
- 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.
- 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.
- While the Service Contract is in effect, the claim must be opened during CARS' normal business hours M-F, 9:00 a.m. to 4:30 p.m., EST.
- CARS will arrange for payment of the amount of the authorized repair, less related charges not covered by the Service Contract, **less a \$100.00 deductible per claim.**
- You must provide the last eight digits of Your VIN # when contacting CARS.
- CARS 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.
- CARS does not allow any third party to create any obligation or liability in connection with the Service Contract.
- The selling dealer is not an agent of CARS.
- You may have additional state-specific rights. See attached State Disclosures.
- This Service Contract shall be interpreted and subject to the laws of the state where

the sale of the vehicle took place regardless of where a claim or mechanical failure occurs or where You reside.

- Venue for all disputes shall be in the state in which the Service Contract was sold.
- CARS' obligations under this Service Contract are insured by Dealers Assurance Company, 240 N. 5th Street, Suite 350, Columbus, OH 43215, 800-282-8913. You are entitled to make a direct claim against the Insurer upon the failure of the Administrator/Obligor to pay any covered claim within 60 days after a complete proof of loss has been filed with CARS.**
- You must retain all vehicle maintenance/repair records for review by CARS.
- Coverage is superseded by any manufacturer's warranty, TSB/factory bulletin, recall or warranty on a previous repair.
- Purchase of this Service Contract is not required in order to purchase or obtain financing for a motor vehicle.

3. 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 THESE CLAIM PROCEDURES AS FOLLOWS:

- Your vehicle must be at a repair facility, of Your choosing, within the continental United States, **CAPABLE TO:** (1) perform tear-down to the point of failure, (2) determine the cause and extent of damage, and (3) rebuild the component. The vehicle **MUST REMAIN** at the repair facility until repairs are complete. If Your repair facility is unwilling or unable to work with CARS, You may be required to choose another repair facility.
- The repair facility must call CARS at 888-335-6838 to open a claim BEFORE any repairs have begun.**
- A proper diagnosis** shall include **tear-down to the point of component failure**, performed by the repair facility, to determine the cause of failure and extent of damage. **YOU ARE RESPONSIBLE FOR THESE CHARGES.** Your repair facility **MUST** provide CARS with an estimate for the covered repair to obtain an Authorization number **BEFORE** any repairs have begun.
- CARS has the right to inspect the vehicle. If Your 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.
- CARS has the option to select used, rebuilt or aftermarket components when authorizing repairs.**
- If it is determined a covered component has failed and an estimate for the repairs is approved by CARS, 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, repair facility's warranty on repairs (if applicable) and repair facility's identifying information.

4. SERVICE CONTRACT TRANSFER PROVISIONS:

- The Service Contract is transferable, by the original purchaser of the contract, to the subsequent owner of the vehicle provided CARS receives the transfer fee of \$99.00 within three business days of the vehicle sale. CARS will not transfer the contract to another vehicle or to a business. The transferred Service Contract will remain in effect pursuant to the terms and conditions of the original Service Contract.
- Without payment of the transfer fee, the Service Contract cannot be re-assigned and will be void at the time the vehicle is transferred.
- The new customer is responsible for all maintenance records from the original Effective Date of the Service Contract.

5. CANCELLATION PROVISIONS - ALL REQUESTED CANCELLATIONS/REFUNDS MUST BE IN WRITING AND WILL BE PROCESSED THROUGH YOUR LIENHOLDER, IF ANY, OR YOUR SELLING DEALER. ANY CANCELLED CONTRACT IS VOID AND WILL NOT BE REINSTATED.

- You may cancel this Service Contract for a full refund within the first 20 days from the Effective Date provided no claim has been made.
- Within the first 20 days from the Effective Date, if a claim has been made You may cancel this Service Contract for a monthly prorated refund, less any claims paid or approved for payment, less an administration fee of \$50.00.
- After 20 days from the Effective Date, there is no refund except in the case of a total loss, as determined by the insurance carrier, or repossession by the lienholder, and as long as no claim was made. If eligible, CARS will cancel this Service Contract for a monthly prorated refund, less an administration fee of \$50.00.
- CARS 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 CARS for any other reason, then CARS shall mail a written notice to Your last known address at least five days prior to cancellation. The notice shall state the reason and effective date of the cancellation. If cancelled, CARS shall provide a monthly prorated refund of the amount received by CARS, less any claims paid or approved for payment.

6. PRIVACY POLICY

- To review the General Policy of CARS, please visit carsprotectionplus.com/privacy-policy.

ALABAMA

The following is added as Provision 3(g): In the event an emergency breakdown occurs outside of CARS' working hours, You may follow the claim procedures in the Service Contract without prior authorization. However, You must notify CARS of the repairs as soon as CARS reopens. Reimbursement will be made in accordance with the provisions in the Service Contract and nothing herein authorizes repairs not otherwise covered. Emergency repairs are those required because the Covered Vehicle was inoperable or unsafe to drive. Parts must be available for inspection by CARS.

Provision 5 amended to include: No claims will be deducted from any refund due.

Provision 5(b) is amended to include: An administrative fee, not to exceed \$25.00, will be charged by CARS.

Provision 5(c) is deleted and replaced with: After 20 days from the Effective Date, You may cancel this Service Contract and CARS shall refund to You a pro rata refund of the Service Contract retail price for the unexpired term of the Service Contract based on the number of elapsed months or miles, less a cancellation fee not exceeding \$25.00.

The following is added as Provision 5(e): For all eligible refunds, a 10% penalty per month shall be added to a refund if not paid or credited within 45 days of the effective cancellation date.

ARKANSAS

Provision 2(s) is amended to include: Any claims against CARS may include a claim for a return of any unearned Service Contract fees.

The following is added as Provision 3(g): In the event an emergency breakdown occurs outside of CARS' working hours, You may follow the claim procedures in the Service Contract without prior authorization. However, You must notify CARS of the repairs as soon as CARS reopens. Reimbursement will be made in accordance with the provisions in the Service Contract and nothing herein authorizes repairs not otherwise covered. Emergency repairs are those required because the Covered Vehicle was inoperable or unsafe to drive. Parts must be available for inspection by CARS.

Provision 5 amended to include: No claims will be deducted from any refund due.

Provision 5(a) is deleted and replaced with: You are allowed to cancel this Service Contract within 30 days of its Effective Date, if no claim has been made, and receive a full refund of the Service Contract retail price, less a cancellation fee not exceeding \$50.00.

Provision 5(b) is deleted and replaced with: After 30 days, or if a claim was made within the first 30 days from the Effective Date, You may cancel this Service Contract and CARS shall refund to You a pro rata refund of the Service Contract retail price for the unexpired term of the Service Contract based on the number of elapsed months or miles, less a cancellation fee not exceeding \$50.00.

Provision 5(c) is deleted in its entirety.

The following is added as Provision 5(e): For all eligible refunds, a 10% penalty per month shall be added to a refund if not paid or credited within 45 days of the effective cancellation date.

COLORADO

Provision 2(s) is amended to include: Policy Number: PA106.

CONNECTICUT

Provision 2(c) is amended to include: If this Service Contract expires while Your vehicle is being repaired due to an approved claim by CARS, and Your coverage term is for less than one year, Your Service Contract will be extended while Your vehicle is being repaired.

Provision 2(s) is amended to include: CARS' obligations under this Service Contract are insured by Dealers Assurance Company, 240 N. 5th Street, Suite 350, Columbus, OH 43215, 800-282-8913. You are entitled to make a direct claim against the Insurer upon the failure of the Administrator/Obligor to pay any covered claim within 60 days after a complete proof of loss has been filed with CARS. If CARS fails to perform according to the Terms and Conditions of the Service Contract, call 800-282-8913, or submit a claim against the Insurer in writing to: Dealers Assurance Company, 240 N. 5th Street, Suite 350, Columbus, OH 43215.

The following is added as Provision 2(w): Resolution of Disputes. You may pursue arbitration to settle disputes between You and CARS. A more detailed description of the arbitration procedure is set forth in §§ 42-260-2 through 42-260-5 of the Connecticut Administrative Code. A written complaint regarding this Service Contract may be mailed to: State of Connecticut, Insurance Department, PO Box 816, Hartford, CT 06142-0816, Attention: Consumer Affairs Division. The complaint must contain a description of the dispute, the purchase price or lease price of Your covered vehicle, the cost of any disputed repair, and a copy of this Service Contract.

Provision 5(c) is amended to include: You have the right to cancel this Service Contract if

You return the vehicle to Your selling dealer or if the vehicle is sold, lost, stolen or destroyed. If You are eligible, CARS shall calculate Your refund on a monthly prorated basis, less any claims paid, less an administrative fee of \$50.00.

GEORGIA

This Service Contract is not a contract of insurance.

Provision 1(b) is deleted and replaced with: Component failures known, or which should have been known, by You before CARS approves this Service Contract application are NOT covered.

Provision 1(d) is deleted and replaced with: Vehicles modified or altered from the original manufacturer's specifications by You or with Your knowledge, including but not limited to the following modifications: frame, suspension or body lift/lowering kits, wheels/tires (not to OEM specifications), emission system, exhaust system, engine, transmission and drive axle.

Provision 1(e) is amended to read: Diagnostic and tear-down charges for non-covered components.

Provision 1(n) is deleted and replaced with: Damage done by You or with Your knowledge from altering, misusing or tampering with the vehicle, making improper adjustments or using improper fuels or fluids.

Provision 1(o) is deleted and replaced with: Damage done by You or with Your knowledge resulting from failure to maintain Your vehicle according to Your manufacturer's maintenance requirements.

Provision 1(p) is deleted and replaced with: Damage/failure caused by carbon or water ingestion.

Provision 1(s) is deleted and replaced with: CARS does not provide any coverage if, during Your ownership, the vehicle has/had an inoperative cluster, odometer, and/or odometer display, regardless if repaired.

Provision 2(f) is deleted and replaced with: Your odometer MUST display and function at all times while the vehicle is owned by You. If there has been an inaccuracy, tampering, or alteration to the odometer mileage, so that the true and actual mileage is not shown or cannot be determined, then coverage under Your Service Contract is void. An inoperative cluster, odometer, and/or odometer display also voids coverage under the Service Contract. Upon discovery by CARS, CARS will deny coverage under Your Service Contract.

Provision 2(g) is deleted and replaced with: Vehicle alterations or modifications made subsequent to the purchase of this Service Contract which were made by You or with Your knowledge are not covered. Upon discovery by CARS, CARS will deny coverage under Your Service Contract.

Provision 2(s) is amended to include: You are entitled to make a direct claim against the Insurer for any failure by CARS to pay any refund due under the terms of the Service Contract.

Provision 3(c) is deleted and replaced with: A **proper diagnosis** shall include **tear-down to the point of component failure**, performed by the repair facility, to determine the cause of failure and extent of damage. **YOU ARE RESPONSIBLE FOR THESE CHARGES IF THE REPAIR IS NOT COVERED UNDER THE SERVICE CONTRACT.** Your repair facility MUST provide CARS with an estimate for the covered repair to obtain an Authorization number **BEFORE** any repairs have begun.

Provisions 5(b) and (c) are deleted and replaced with: After 20 days from the Effective Date, You may cancel this Service Contract at any time by submitting a written request and returning Your Service Contract to CARS. If this Service Contract is cancelled, You will receive a full refund of the unearned pro rata Service Contract price, less a cancellation fee not to exceed 10% of the pro rata refund amount. No claims paid shall be deducted from any refund owed.

Provision 5(d) is deleted and replaced with: This Service Contract shall not be cancelled by CARS except for fraud, material misrepresentation, or nonpayment. In the event CARS cancels this Service Contract, We will retain a pro-rata amount based on greater of the days in force or the miles driven related to the term of this Service Contract and no administrative or cancellation fee will be assessed. The cancellation shall conform to the requirements of 33-24-44.

ILLINOIS

Provision 2(s) is amended to include at the end: The Insurer shall either reimburse or pay on behalf of CARS all covered sums which CARS is legally obligated to pay or will provide the service CARS is legally obligated to perform according to CARS' contractual obligations.

The following is added as Provision 2(w): The Obligor is the party responsible for honoring cancellation requests. The selling dealer, however, can handle a customer's request for cancellation on behalf of the Obligor.

Provision 5(a) is deleted and replaced with: As an Illinois customer, You may cancel Your contract for a full refund of the Service Contract purchase price during the first 30 days after purchase, if no service has been provided, less a cancellation fee of 10% of the total contract purchase price or \$50, whichever is less.

Provisions 5(b) and (c) are deleted and replaced with: At any other time, or if a service has been provided, the Service Contract may be cancelled for a monthly prorated refund of the total service price less the value of any service received and less a cancellation fee of 10% of the total contract purchase price or \$50, whichever is less.

INDIANA

Provision 2(s) is amended to include: In the event of CARS' nonperformance or failure to make payment due under Your Service Contract, the Insurer will perform the services or make payments on behalf of CARS for services or payments CARS is obligated to perform under the terms of this Service Contract.

The following is added as Provision 2(w): This Service Contract is not insurance and is not subject to Indiana insurance law.

LOUISIANA

Provision 5 amended to include: No claims will be deducted from any refund due.

Provision 5(a) is deleted and replaced with: You may cancel this Service Contract for a full refund of the Service Contract retail price, less a cancellation fee not to exceed \$50.00, within the first 30 days of its Effective Date by providing a written request to cancel.

Provisions 5(b) and (c) are deleted and replaced with: After 30 days from the Effective Date, You may cancel this Service Contract and receive a pro rata refund of the Service Contract retail price for the unexpired term of the Service Contract based on the number of elapsed months or miles, less a cancellation fee not exceeding \$50.00.

Provision 5(d) is deleted and replaced with: After 60 days, CARS cannot cancel this Service Contract unless (1) there has been a material misrepresentation or fraud at the time of sale of the Service Contract; (2) You have failed to maintain the motor vehicle as prescribed by the manufacturer; and/or (3) nonpayment of premium by You, in which case CARS shall provide You notice of cancellation by certified mail. After 60 days, a pro rata refund will be calculated by multiplying the Service Contract Purchase Price by the lesser percentage of the unused months or unused miles compared to the total months or total miles of Your Service Contract Period, less an administrative fee of \$50.00.

MAINE

The following is added as Provision 3(g): In the event an emergency breakdown occurs when CARS is closed, You may follow the claim procedures in the Service Contract without prior authorization. However, You must notify CARS of the repairs as soon as CARS reopens. Reimbursement will be made in accordance with the provisions in the Service Contract and nothing herein authorizes repairs not otherwise covered. Emergency repairs are those required because the Covered Vehicle was inoperable or unsafe to drive. Parts must be available for inspection by CARS.

Provision 5(b) is deleted and replaced with: If a claim has been made within the first 20 days from the Effective Date, You may cancel this Service Contract for a monthly prorated refund, less any claims paid or approved for payment, less an administration fee not to exceed 10% of the total Service Contract purchase price.

Provision 5(c) is deleted and replaced with: After 20 days from the Effective Date, You may cancel this Service Contract for a monthly prorated refund, less any claims paid or approved for payment, less an administration fee not to exceed 10% of the total Service Contract purchase price.

Provision 5(d) is deleted and replaced with: CARS will cancel Your Service Contract for fraud, material misrepresentation, a substantial breach, or nonpayment, either by You or on Your behalf. If this Service Contract is cancelled by CARS prior to the expiration of Your Service Contract, CARS shall mail a written notice to You at Your last known address at least 15 days prior to cancellation. The notice shall state the reason and effective date of the cancellation. If Your Service Contract is cancelled by CARS for a reason other than nonpayment, CARS shall refund to You 100% of the unearned contract purchase price received by CARS from the selling dealer on a pro rata basis, less any claims paid, less an administration fee not to exceed 10% of the total Service Contract purchase price.

The following is added as Provision 5(e): For all eligible refunds, a 10% penalty per month shall be added to a refund if not paid or credited within 45 days of the effective cancellation date.

MARYLAND

Under **COVERED COMPONENTS**, under the section **LABOR**, the last sentence is deleted and replaced with: **EXAMPLES OF NOT COVERED:** non-covered components.

Provision 1(e) is amended to include: The repair of a malfunction or defect covered under

this Service Contract shall include the cost of the tear-down and diagnosing the malfunction or defect.

Provision 2(c) is amended to include: If this Service Contract expires while Your vehicle is being repaired due to an approved claim by CARS, this contract will be extended until the covered repair is complete.

Provision 3(c) is deleted and replaced with: A **proper diagnosis** shall include **tear-down to the point of component failure**, performed by the repair facility, to determine the cause of failure and extent of damage. Your repair facility **MUST** provide CARS with an estimate for the covered repair to obtain an Authorization number **BEFORE** any repairs have begun.

Provision 5(b) is deleted and replaced with: If a claim has been made within the first 20 days from the Effective Date, You may cancel this Service Contract for a monthly prorated refund, less any claims paid or approved for payment, less an administration fee not to exceed 10% of the total Service Contract purchase price.

Provision 5(c) is deleted and replaced with: After 20 days from the Effective Date, You may cancel this Service Contract for a monthly prorated refund, less any claims paid or approved for payment, less an administration fee not to exceed 10% of the total Service Contract purchase price.

The following is added as Provision 5(e): For all eligible refunds, a 10% penalty per month shall be added to a refund if not paid or credited within 45 days of the effective cancellation date.

MASSACHUSETTS

NOTICE TO CUSTOMER: PURCHASE OF THIS SERVICE CONTRACT IS NOT REQUIRED IN ORDER TO REGISTER OR FINANCE YOUR VEHICLE. THE BENEFITS PROVIDED MAY DUPLICATE EXPRESS MANUFACTURER'S OR SELLER'S WARRANTIES THAT COME AUTOMATICALLY WITH EVERY SALE. THE SELLER OF THIS COVERAGE IS REQUIRED TO INFORM YOU OF ANY WARRANTIES AVAILABLE TO YOU WITHOUT THIS SERVICE CONTRACT.

The Obligor of this Service Contract is the dealer listed on the application ("Dealer"). This Service Contract is between the Dealer and You. Dealer has appointed CARS as the authorized administrator of this Service Contract. CARS neither assumes nor has any liability whatsoever for the obligations of this Service Contract.

The following is added as Provision 5(e): For all eligible refunds, a 10% penalty per month shall be added to a refund if not paid or credited within 45 days of the effective cancellation date.

MINNESOTA

Provision 5(b) is deleted and replaced with: If a claim has been made within the first 20 days from the Effective Date, You may cancel this Service Contract for a monthly prorated refund, less any claims paid or approved for payment, less an administration fee not to exceed 10% of the total Service Contract purchase price.

Provision 5(c) is deleted and replaced with: After 20 days from the Effective Date, You may cancel this Service Contract for a monthly prorated refund, less any claims paid or approved for payment, less an administration fee not to exceed 10% of the total Service Contract purchase price.

Provision 5(d) is amended as follows: If this Service Contract is cancelled by CARS, then CARS shall mail a written notice to You at Your last known address at least 15 days prior to cancellation. The notice shall state the effective date of the cancellation and the reason for the cancellation. Five days notice is required if the reason for cancellation is nonpayment of the provider fee by You to CARS, a material misrepresentation by You to CARS, or a substantial breach of duties by You to CARS relating to Your vehicle.

The following is added as Provision 5(e): For all eligible refunds, a 10% penalty per month shall be added to a refund if not paid or credited within 45 days of the effective cancellation date.

MISSISSIPPI

The following is added as Provision 3(g): In the event an emergency breakdown occurs when CARS is closed, You may follow the claim procedures in the Service Contract without prior authorization. However, You must notify CARS of the repairs as soon as CARS reopens. Reimbursement will be made in accordance with the provisions in the Service Contract and nothing herein authorizes repairs not otherwise covered. Emergency repairs are those required because the Covered Vehicle was inoperable or unsafe to drive. Parts must be available for inspection by CARS.

Provision 5(d) is amended as follows: If CARS cancels Your Service Contract for fraud, material misrepresentation, a substantial breach, either by You or on Your behalf, CARS will mail or deliver written notice of the cancellation to You and any named creditor loss payee not less than 30 days prior to the effective date of such cancellation. If CARS cancels Your

Service Contract due to nonpayment, either by You or on Your behalf, notice will be sent or delivered not less than 10 days prior to the effective date of the cancellation.

MISSOURI

This Service Contract is not an insurance contract in the State of Missouri.

Provision 2(s) is amended to include at the end: A claim against CARS also shall include a claim for return of the unearned provider fee.

The following is added as Provision 3(g): In the event an emergency breakdown occurs when CARS is closed, You may follow the claim procedures in the Service Contract without prior authorization. However, You must notify CARS of the repairs as soon as CARS reopens. Reimbursement will be made in accordance with the provisions in the Service Contract and nothing herein authorizes repairs not otherwise covered. Emergency repairs are those required because the Covered Vehicle was inoperable or unsafe to drive. Parts must be available for inspection by CARS.

Provision 5(b) is deleted and replaced with: If a claim has been made within the first 20 days from the Effective Date, You may cancel this Service Contract for a full refund, less any claims paid. There is no cancellation fee for this provision.

Provision 5(c) is deleted and replaced with: After 20 days from the Effective Date, You may cancel the Service Contract and CARS shall refund 100% of the unearned contract purchase price on a pro rata basis, less any claims paid, and less an administrative fee of \$50.

Provision 5(d) is deleted and replaced with: CARS 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. For all cancellations, CARS will provide a written notice to You within 45 days from the date of termination. The notice shall state the reason and effective date of the cancellation. If cancelled under this provision, CARS shall refund 100% of the unearned contract purchase price on a pro rata basis, less any claims paid. There is no administrative fee for this provision.

The following is added as Provision 5(e): For all eligible refunds, a 10% penalty per month shall be added to a refund if not paid or credited within 45 days of the effective cancellation date.

NEVADA

Provision 2(f) is deleted and the following is inserted: No coverage will be provided for any repairs if the vehicle has an inoperative odometer.

Provision 2(g) is deleted and the following is inserted: If a vehicle is found to have been altered or modified after the start of this Service Contract, this shall not void the Service Contract, but no coverage will be provided for any repairs to those parts of the vehicle that have been altered or modified.

The following is added as Provision 2(w): Pre-existing conditions are not covered by the Service Contract.

The following is added as Provision 2(x): The purchaser of this Service Contract may not renew the contract.

Provisions 5(a) and (b) are amended to include: The purchaser may return the Service Contract no later than 20 days after the contract is mailed to the contract holder or 10 days if the contract is delivered at the time of sale under the following conditions: (1) No claims have been paid or authorized; (2) Refund is to be for the full purchase price; and (3) Only applies to original purchaser of the Service Contract.

If cancelled in writing by the original purchaser, CARS shall refund the amount CARS received from the selling dealer. Your selling dealer will refund their unearned portion of the total contract purchase price. If CARS fails to refund the purchase price within 45 days, CARS will pay the holder a penalty of 10% of the purchase price for each 30 day period or portion thereof that the refund and any accrued penalties remain unpaid.

No Service Contract that has been in effect for at least 70 days may be cancelled by CARS before the expiration of the agreed term or one year after the Effective Date of the Service Contract, whichever occurs first, except on any of the following grounds: (a) Failure by the holder to pay an amount when due; (b) Conviction of the holder of a crime which results in an increase in the service required under the Service Contract; (c) Discovery of fraud or material misrepresentation by the holder in obtaining the Service Contract, or in presenting a claim for service there under; (d) Discovery of: (1) An act or omission by the holder; or (2) A violation by the holder of any condition of the Service Contract, which occurred after the Effective Date of the Service Contract and which substantially and materially increase the service required under the Service Contract; or (e) A material change in the nature or extent of the required service or repair which occurs after the Effective Date of the Service Contract and which causes the required service or repair to be substantially and materially increased beyond that contemplated at the time the Service Contract was issued or sold.

If CARS cancels the Service Contract pursuant to paragraphs (a-e) above, CARS shall refund to the holder the portion of the purchase price that is unearned by CARS, less any outstanding balance on the account of the holder from the amount of the purchase price that is unearned by the provider when calculating the amount of the refund. Claims paid against the Service Contract will not be deducted. CARS shall not impose a cancellation fee pursuant to paragraphs (a-e) above. No cancellation of a Service Contract may become effective until at least 15 days after the notice of cancellation is mailed to the holder.

The following is added as Provision 5(e): For all eligible refunds, a 10% penalty per month shall be added to a refund if not paid or credited within 45 days of the effective cancellation date.

NEW HAMPSHIRE

The following is added as Provision 2(w): In the event that You do not receive satisfaction under this Service Contract, You may contact the New Hampshire Insurance Department, 21 South Fruit Street, Suite 14, Concord, NH 03301, telephone number: 603-271-2261.

NEW JERSEY

Provision 2(r) is amended to include at the end: Venue for all disputes will be in the State of New Jersey if You purchased this Service Contract in another state but are now a resident of New Jersey.

Provision 2(s) is amended to include: Obligations of CARS under this Service Contract are insured under a Service Contract reimbursement policy. The Insurer shall either reimburse or pay on behalf of CARS any covered sums CARS is legally obligated to pay or, in the event of CARS' nonperformance, shall provide the service which CARS is legally obligated to perform according to CARS' contractual obligations.

Provision 5(a) is deleted and replaced with: If no claims have been made, You may cancel and return the Service Contract within 10 days of receipt of the contract if delivered at the time of purchase, or within 20 days of the date the contract was sent to You, if not delivered at the time of purchase. Upon cancellation of the Service Contract within the applicable time period, CARS will provide You with a refund of the full purchase price or amount paid on the Service Contract by refund or credit to Your account.

For all refunds, if the refund or credit is not completed within 45 days of the cancellation of the Service Contract, a 10% penalty per month will be assessed based upon the purchase price of Your Service Contract.

Provision 5(d) is amended to include at the end: If CARS cancels the Service Contract prior to the expiration of Your Service Contract, CARS shall mail a written notice to Your last known address which contains the reason for the cancellation and the effective date of the cancellation at least five days prior to the effective date of the cancellation. However, written notice of cancellation shall not be required if the reason for cancellation is nonpayment of the provider fee, a material misrepresentation or omission, or a substantial breach of contractual obligations concerning Your vehicle or its use.

NEW YORK

The following is added as Provision 3(g): In the event an emergency breakdown occurs when CARS is closed, You may follow the claim procedures in the Service Contract without prior authorization. However, You must notify CARS of the repairs as soon as CARS reopens. Reimbursement will be made in accordance with the provisions in the Service Contract, and nothing herein authorizes repairs not otherwise covered. Emergency repairs are those required because the Covered Vehicle was inoperable or unsafe to drive. Parts must be available for inspection by CARS.

Provision 5(d) is amended to include: If Your Service Contract is cancelled prior to the expiration of Your Service Contract, CARS shall mail a written notice to Your last known address which contains the reason for the cancellation and the effective date of the cancellation at least 15 days prior to the effective date of the cancellation. However, written notice of cancellation shall not be required if the reason for cancellation is nonpayment of the provider fee, a material misrepresentation, or a substantial breach of contractual obligations concerning Your vehicle or its use.

The following is added as Provision 5(e): For all eligible refunds, a 10% penalty per month shall be added to a refund if not paid or credited within 30 days of the effective cancellation date.

NORTH CAROLINA

Provisions 5(a), 5(b), and 5(c) are deleted and replaced with: The Purchaser may cancel this Service Contract at any time after purchase and receive a pro rata refund less any claims paid on the Service Contract. A reasonable administrative fee, not to exceed 10% of the amount of the pro rata refund, will be charged.

Provision 5(d) is amended to include: CARS will not cancel Your Service Contract in its discretion other than for nonpayment of premiums or for a direct violation of the Service

Contract agreement by the contract holder where the Service Contract agreement states that violation of the Service Contract agreement would subject the Service Contract agreement to cancellation.

OKLAHOMA

CARS' license number to sell Service Contracts in Oklahoma is I.D. #864229.

The following is added as Provision 2(w): This is not an insurance contract. Coverage afforded under this contract is not guaranteed by the Oklahoma Insurance Guaranty Association.

If Your Service Contract provides roadside assistance the following is added as Provision 2(x): 24-hour roadside assistance is provided by SafeRide Motor Club, Inc. (OK ID# 864059).

Provision 5(c) is deleted and replaced with the following: You may cancel this Service Contract at any time by notifying CARS in writing of Your intent to cancel. In the event the contract is cancelled by You, return of premium shall be based upon 90% of the unearned pro rata provider fee less the actual cost of any service provided under the Service Contract.

Provision 5(d) is amended to include: In the event the contract is cancelled by CARS, return of premium shall be based upon 100% of unearned pro rata provider fee less the actual cost of any service provided under the Service Contract.

PENNSYLVANIA

Provision 3(e) is amended to include: CARS has the right to supply new, used, or rebuilt components from a supplier selected by CARS. If a component CARS supplies fails within seven days of its installation, CARS will supply a replacement component and cover any diagnostic and tear-down charges, fluids and waive the deductible to replace the supplied part.

Your administration fee in Provisions 5(b) and 5(c) shall not exceed \$30.00.

SOUTH CAROLINA

The following provision is added as Provision 2(w): Should You feel that an issue is not being dealt with fairly or You have questions in general regarding the regulation of the Service Contract providers, You may contact the South Carolina Department of Insurance at 803-737-6160, or in writing at: The South Carolina Department of Insurance, PO Box 100105, Columbia, SC 29202-3105.

The following is added as Provision 3(g): In the event an emergency breakdown occurs when CARS is closed, You may follow the claim procedures in the Service Contract without prior authorization. However, You must notify CARS of the repairs as soon as CARS reopens. Reimbursement will be made in accordance with the provisions in the Service Contract, and nothing herein authorizes repairs not otherwise covered. Emergency repairs are those required because the Covered Vehicle was inoperable or unsafe to drive. Parts must be available for inspection by CARS.

Provision 5(d) is amended to include: If this Service Contract is cancelled by CARS, then CARS shall mail a written notice to You at Your last known address at least 15 days prior to cancellation. The notice shall state the effective date of the cancellation and the reason for the cancellation. Prior notice is not required if the reason for cancellation is nonpayment, a material misrepresentation by You, or a substantial breach of duties by You to CARS relating to Your vehicle.

The following is added as Provision 5(e): For all eligible refunds, a 10% penalty per month shall be added to a refund if not paid or credited within 45 days of the effective cancellation date.

TEXAS

Provision 2(s) is amended to include at the end: You may apply for reimbursement directly to the Insurer if a covered service is not provided to You by CARS before the 61st day after the date of proof of loss, or a refund or credit is not paid before the 46th day after the date on which the contract is cancelled by You.

The following is added as Provision 2(w): Unresolved complaints or questions concerning Service Contract providers may be addressed to: Texas Department of Licensing and Regulation, PO Box 12157, Austin, TX 78711, 800-803-9202.

Provisions 5(a), 5(b) and 5(c) are deleted and replaced with:

CANCELLATION BY SERVICE CONTRACT HOLDER: You may cancel this Service Contract at any time.

If You cancel this Service Contract before the 31st day after the date of purchase, CARS shall refund You or credit to Your account the full purchase price of the Service Contract, decreased by the amount of any claims paid. No cancellation fee may be imposed.

If You cancel this Service Contract on or after the 31st day of purchase, CARS shall refund You the prorated purchase price of the Service Contract reflecting the

remaining term of the contract, based on mileage or time, whichever results in a lower amount, decreased by the amount of any claims paid and a reasonable cancellation fee not to exceed \$50.

If CARS does not pay the refund or credit Your account before the 46th day after the date notice of cancellation is received by CARS, then CARS is liable to You for a penalty for each month an amount remains outstanding equal to 10% of the refund amount outstanding. The penalty is in addition to the full or prorated purchase price of the Service Contract that is owed to You. The right to cancel this Service Contract is not transferable to a subsequent holder of the contract.

Provision 5(d) is deleted and replaced with: **CANCELLATION BY CARS:** CARS may cancel this Service Contract by mailing a written notice of cancellation to You at Your last known address. CARS must mail the notice before the fifth day preceding the effective date of the cancellation. The notice must state the effective date of the cancellation and the reason for the cancellation. However, CARS is not required to provide prior notice of cancellation if the Service Contract is cancelled because of: (1) nonpayment of the purchase price; (2) fraud or a material misrepresentation by You to CARS; or (3) a substantial breach of a duty by You relating to the covered vehicle or its use. If Your Service Contract is cancelled by CARS in accordance with this section, You are entitled to a prorated refund of the purchase price of the contract reflecting the remaining term of the contract, based on mileage or time, whichever results in a lower amount, decreased by the amount of any claims paid and no cancellation fee will be imposed.

The following is added as Provision 5(e): For all eligible refunds, a 10% penalty per month shall be added to a refund if not paid or credited within 45 days of the effective cancellation date.

WISCONSIN

THIS CONTRACT IS SUBJECT TO LIMITED REGULATION BY THE OFFICE OF THE COMMISSIONER OF INSURANCE.

Provision 1(s) is deleted and replaced with: CARS does not provide any coverage if, at any time, the vehicle has/had an inoperative odometer cluster, odometer, and/or odometer display that is not immediately repaired and proof of repair is not submitted to CARS.

Provision 2(f) is deleted and replaced with: An inoperative odometer, and/or odometer display, that is not immediately repaired and proof of repair is not submitted to CARS is a substantial breach of duties by You relating to the covered vehicle or its use.

Provision 2(g) is deleted and replaced with: Alterations or modifications to Your vehicle from the original manufacturer's specifications prior to approval of this application by CARS is a substantial breach of duties by You relating to the covered vehicle or its use.

Provision 2(s) is amended to include: If CARS does not provide, or reimburse or pay for, a service that is covered under a Service Contract within sixty (60) days after You provide proof of loss, or if CARS becomes insolvent or otherwise financially impaired, You may file a claim directly with the Insurer for reimbursement, payment or provision of the service.

Provisions 5(b) and 5(c) are deleted and replaced with: After 20 days, or if a claim was made during that time, You may cancel the Service Contract and CARS shall refund to You 100% of the unearned contract purchase price on a pro rata basis, less any claims paid, and less an administrative fee not to exceed 10% of the total contract purchase price. In the event of a total loss of property covered by the Service Contract that is not covered by a replacement of the property pursuant to the terms of the Service Contract, You shall be entitled to cancel the Service Contract and receive a pro rata refund of any unearned provider fee, less any claims paid.

Provision 5(d) is deleted and replaced with: In all instances of this Service Contract, CARS may cancel this Service Contract **ONLY** for nonpayment of the provider fee, material misrepresentation by the contract holder to the provider or administrator, or substantial breach of duties by the Service Contract holder relating to the covered product or its use. If cancelled by CARS, CARS will mail a written notice to You at Your last known address contained in our records at least five days prior to the cancellation. The notice shall state the effective date of the cancellation and the reason for the cancellation. If the Service Contract is cancelled by CARS for a reason other than nonpayment of the provider fee, CARS shall refund to You one hundred percent (100%) of the unearned pro rata purchase price, less any claims paid and an administrative fee of 10% of the total purchase price.

The following is added as Provision 5(e): For all eligible refunds, a 10% penalty per month shall be added to a refund if not paid or credited within 45 days of the effective cancellation date.