

## Terms & Conditions

This Contract is not an insurance contract. Unless otherwise regulated under state law, the contents under this Service Plan should be interpreted and understood within the meaning of a "service contract" in Public Law #93-637.

### 1. Parties

The obligor ("Obligor") on Your service contract ("Contract") is Federal Warranty Service Corporation, P.O. Box 105689, Atlanta, GA 30348-5689, (770) 763-1000. The administrator ("Administrator") of this Contract is Federal Warranty Service Corporation, P.O. Box 100, Rapid City, SD 57709, (800) 626-2224. The service performed under this Contract is provided through the Administrator or a servicer approved by Administrator. This Contract is insured by an insurance policy issued by American Bankers Insurance Company of Florida, 11222 Quail Roost Drive, Miami, FL 33157 ("Insurer"). "We", "Us", & "Our" mean the Obligor under the Contract. "You" & "Your" mean the owner of the covered product ("Product") who paid for this Contract.

### 2. Special Provisions

**Note – Your Contract sales receipt & these Terms & Conditions, including the provisions, limitations, definitions & exclusions, & the Schedule Page, constitute the entire Contract.**

**Subrogation** - In the event We repair or replace any Product due to any defect for which the manufacturer ("MFR") or its agents or suppliers may be legally responsible, You agree to subrogate & assign Your rights of recovery to Us. You will be reimbursed for any reasonable costs & expenses You incur in connection with the subrogation or assignment of Your rights.

### 3. Programs

The following programs are available. **The program actually purchased by You will be specified on the Schedule Page.** A Product will be restored to normal operating use or replaced after it has failed during normal single family residence use (excludes orphanages, group homes, businesses, etc.), including failures due to power surges. Upon replacement or reimbursement, this Contract is deemed fully performed as to the replaced Product only & shall not be transferable to any replacement product, unless otherwise required by state law. All defective Products will become the property of Administrator, should Administrator unilaterally elect to exercise its rights to the property.

**A. REPAIR PROGRAM** - All labor & parts costs necessary to repair Your Product for problems due to functional part failures are covered. **Non-Repairable Products** - If Administrator, in its sole discretion, determines that a Product is not repairable or not cost effective to repair, Administrator will replace the Product with one of comparable type, quality & functionality, though not necessarily the same brand or retail purchase price (changes in technology may result in a lower selling price of a replacement product than the original Product), or provide You with an amount equal to the replacement cost (excluding taxes & fees) of a similar product.

**B. REPLACEMENT PROGRAM** - You will receive either a replacement product, gift card, or an amount equal to the original purchase price (excluding taxes & fees) of Your Product, in Administrator's sole discretion. You will be required to return Your defective Product along with all accessories & batteries as a condition for receiving a replacement product, gift card or reimbursement. If specified to mail in Your Product, You are responsible for pre paying postage and packing the Product in the original or comparable packaging to prevent further damage during shipping. You may be instructed to handle return of the defective Product and receipt of a replacement Product through the retail dealer where You purchased the Product. If Your Product is found not to be defective, e.g. requires replacement of battery only to resume function, return shipping costs will be charged to You, COD. Replacement shall be with a product of comparable type, quality & functionality, & will be shipped to You, postage pre-paid by Administrator. If a gift card or reimbursement is issued to You, its value will be equal to the original purchase price of the Product. If either of these options is authorized, redemption may be limited to the retail location where You purchased Your original Product.

### 4. Product Coverage

The following products are eligible for coverage. The Products for which You actually purchased coverage will be listed on the Schedule Page.

**Major Appliances:** Such as Washer, Dryer, Refrigerator, Dishwasher, Oven, Range. **Food Spoilage** - You will be reimbursed for food losses resulting from the covered failure of Your refrigerator or freezer up to \$100 per appliance over the Contract life; proof of loss required.

**Other Appliances:** Such as Water Softener, Undercounter Water Filter, Reverse Osmosis Water Systems, Vacuum Cleaners.

**Consumer Electronics:** Such as TV, VCR, Camcorder, Stereo, CD Player, Projection TV, DVD, PDAs, Digital Camera, Digital Camcorder. **Lamp Replacement** - If this Contract provides for lamp replacement in Your covered Projection TV, replacement shall be limited to once per Contract. **Remote Control** - This Contract provides for remote control replacement of comparable functionality once per Contract. Your Contract remains in force upon replacement of the lamp or remote control.

**Small Appliances:** Such as Toaster, Coffee Maker, Bread Maker, Compact Refrigerator, Countertop Microwave Oven.

**Digital Satellite Systems (DSS):** Receiver Exchange, LNB.

**Major Component:** Such as Compressor, Washer Transmission or Drive Motor, Magnetron, Picture Tube or Light Engine. If a specific component is listed on the Schedule Page, only the specified component is covered. Labor costs for the repair, replacement, & installation of that component are not covered.

### 5. Coverage Period

Your coverage begins & ends on the dates identified on the Schedule Page.

### 6. Location of Service for Repair Program

**a. In-home Service.** If "in-home" service is specified, service will be provided at the address identified on the Schedule Page, subject to the exclusion in Section 13.t. The Product must be easily accessible to the technician & removal of the Product for servicing must not require more than one person for safe removal, or the use of special equipment or tools such as, but not limited to, ladders, lift trucks, or scaffolding. Periodically, Your Product may need to be removed from the home & repaired elsewhere but if required, pick-up & return expenses will be covered by this Contract; provided, however, that Product de-installation & re-installation costs are not covered by this Contract.

**b. Carry-in/Mail-in Service.** If "carry-in/mail-in" service is specified, & there is an authorized local servicer near You, You are responsible for delivering Your Product to & from the repair center. Reasonable mail-in expenses to & from the service location will be covered by this Contract.

### 7. If You Need Service

Call the telephone number displayed on the Schedule Page to schedule service. Service will be available during regular working hours. In rare instances, if We cannot locate a servicer, We may authorize You to locate a servicer near You. You must provide Us with an estimate for repair prior to commencing with repair. This Contract will reimburse You for any repair expenses paid by You if You have been authorized to locate a servicer & the repair estimate has been approved by Us.

### 8. Moving Your Product to a New Location in the USA

You can change Your service address by notifying Administrator in writing at the address on the Schedule Page.

### 9. If the Owner of the Product is Changing

You can assign the Product coverage to another person by notifying Administrator in writing at the address on the Schedule Page & enclosing a check for \$10.00 to cover processing & administration costs. The coverage will become effective when Administrator receives Your written notice & check.

### 10. Contract Cancellation

**a. You may cancel Your Contract at any time for any reason.** You must notify the retail dealer in writing. Include Your original Contract with notification. The retail dealer will accept Your cancellation & determine the amount of the refund based on the calculation in subsection b.

**b. Refund Calculation.** If canceled by You, Your refund will be calculated as follows: (1) if Your Contract & cancellation notice are received within 30 days of the **purchase date** of this Contract, You will be refunded the full Contract price;

(2) if Your Contract & cancellation notice are received after 30 days from the **purchase date** but before the **effective date** of this Contract, You will be refunded the full Contract price, less an administrative fee of 10% of the Contract price or \$25, whichever is less, unless otherwise precluded by law; & (3) if Your Contract & cancellation notice are received after the **effective date** of this Contract, You will be refunded a pro-rated amount of the Contract price, less any claims paid, less an administrative fee of 10% of the pro-rated Contract price or \$25, whichever is less, unless otherwise precluded by law.

**c. Cancellation by Us.** If We cancel the Contract, for any contractual reason, fraud, misrepresentation or non-payment by You, return of premium will be based on 100% of the unearned pro-rata Contract price.

### 11. Contract Limitations

**a. Indirect Damages.** IN NO EVENT WILL THE OBLIGOR, ADMINISTRATOR OR INSURER BE LIABLE FOR SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES RELATING DIRECTLY OR INDIRECTLY TO THIS CONTRACT.

**b. Renewals.** We are not obligated to renew Your Contract.

**c. Non-Original Manufacturer & Re-Manufactured Parts.** Genuine factory parts will be used whenever possible; however the use of non-original manufacturer & re-manufactured parts is allowed under this Contract.

**d. Lemon Policy.** Administrator will replace a Product or component should the same major repair and/or component failure occur to the Product or component & require a service call on 3 separate occasions within a 12 month period after the Contract effective date. Replacement will be authorized after the Product or component is repaired for the second time & upon the occurrence of the third repair request as verified by an authorized service technician. Servicers warranty the workmanship of their repair service for 30 days. Rework repairs (repairs done within 30 days of the original repair for the same failure) shall not count towards the number of repairs prior to replacement.

**e. Service Failure or Delay.** Administrator is not responsible for any failure or delay in performing service due to acts of God, war, or other causes beyond its control.

**f. Limitation of Liability.** To the extent permitted by applicable law, the liability of the Obligor, Administrator and Insurer, if any, for any allegedly defective Product or part shall be limited to repair or replacement of the Product or part at Our option, & the liability of the Obligor, Administrator or Insurer, if any, for damages relating to any defective Product or part shall not exceed the purchase price of a comparable replacement product or part. THE PROVISIONS OF THIS CONTRACT ARE YOUR SOLE AND EXCLUSIVE REMEDY WITH RESPECT TO THE PRODUCT(S) COVERED BY THIS CONTRACT. ALL IMPLIED WARRANTIES WITH RESPECT TO THE PRODUCT(S) INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY & FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY EXPRESSLY EXCLUDED.

**LOOK FIRST TO YOUR MFR'S ORIGINAL WARRANTY FOR COVERAGE. IF THE MFR'S WARRANTY OVERLAPS WITH THIS CONTRACT COVERAGE, AS INDICATED ON YOUR SCHEDULE PAGE, THIS CONTRACT EXCLUDES ANY COVERAGE PROVIDED UNDER THE MFR'S WARRANTY. HOWEVER, IN THE EVENT OF SUCH OVERLAP, THIS CONTRACT FILLS GAPS IN &/OR PROVIDES ADDITIONAL BENEFITS TO THE MFR'S WARRANTY.**

**12. Consumer's Promises & Assurances.** In order to keep this Contract in force during its term, You promise & assure: (1) full cooperation with Our technicians & authorized servicers during diagnosis & repair of the Product; (2) accessible serviceability of the Product; (3) a non-threatening & safe environment for in-home service; (4) the presence of an adult at the time of scheduled service; (5) that the Product is not used for business or commercial purposes; & (6) that You will provide written notice of any defect or deficiency in service within 90 days of discovery.

### 13. What is Not Covered – Your Contract does not cover:

**a. repair of Product(s) upon noncompliance of any part of Section 12 by You; b. coverage, components, products or items not specifically listed herein or on the Schedule Page; c. consumable items such as batteries, tapes, ribbons, bulbs, hoses, water membranes, air filters, water filters, fuses, belts, knobs, accessory cables; d. any repair covered by a MFR's original warranty or initiated by the MFR or recall program, whether the MFR is in business or not; e. any costs associated with or damage caused by failure to follow MFR's recommended installation or normal maintenance; f. unauthorized repairs performed by third parties, inaccessible Products, theft; g. cosmetic damage; h. damage or failures caused by conditions beyond Our control such as inadequate plumbing, wiring, power supply, rust, corrosion, infestation, negligence, abuse, misuse, acts of God, leaking batteries, video game & other display markings, problems with phone lines; i. repair or replacement caused by defects that existed prior to this Contract purchase; j. service outside the continental USA, Alaska, & Hawaii; k. water filtration systems where water is microbiologically unsafe or of unknown quality when there has not been adequate disinfection, such as single-user wells, or other non-public water systems not regulated by federal or state health & safety requirements; l. Products used for commercial purposes; m. loss or damage to recording media, software or data, computer viruses, software defects or software generated problems; n. shipping damage to Products resulting from inadequate packaging by You; o. upgrades to comply with regulatory laws; p. TV image burn-in, plasma or LCD panels for minor pixel illumination issues that do not affect the overall viewing of the panel such as, but not limited to, missing pixels, intermittent pixels, or wrong color pixels; q. TV stands or wall mounts & projection TV screen protectors; r. de-installation or re-installation of wall mounted TVs & other Products; s. cabinetry, carpentry, masonry or other miscellaneous enclosures or trim surrounding built-in Products & custom panels; t. in-home service if Your service location is in an isolated area.**

### 14. Arbitration Provision

**Read the following arbitration provision carefully. It limits certain rights, including Your right to obtain relief or damages through court action.**

To begin Arbitration, either You or We must make a written demand to the other party for arbitration. The Arbitration will take place before a single arbitrator. It will be administered in keeping with the Expedited Procedures of the Commercial Arbitration Rules ("Rules") of the American Arbitration Association ("AAA") in effect when the claim is filed. You may get a copy of these AAA's Rules by contacting AAA at 1633 Broadway, 10th Floor, New York, NY 10019, calling (800) 778-7879 or visiting [www.adr.org](http://www.adr.org). The filing fees to begin and carry out arbitration will be shared equally between You and Us. This does not prohibit the arbitrator from giving the winning party their fees and expenses of the arbitration. Unless You and We agree, the arbitration will take place in the county and state where You live. The Federal Arbitration Act, 9 U.S.C. § 1, et seq., will govern and no state, local or other arbitration law will apply. YOU AGREE AND UNDERSTAND THAT this arbitration provision means that You give up Your right to go to court on any claim covered by this provision. You also agree that any arbitration proceeding will only consider Your Claims. Claims by, or on behalf of, other individuals will not be arbitrated in any proceeding that is considering Your Claims. Please refer to the Schedule Page section of this Contract for any added requirements in Your state. In the event this Arbitration provision is not approved by the appropriate state regulatory agency, and/or is stricken, severed, or otherwise deemed unenforceable by a court of competent jurisdiction, You and We specifically agree to waive and forever give up the right to a trial by jury. Instead, in the event any litigation arises between You and Us, any such lawsuit will be tried before a judge, and a jury will not be impaneled or struck.