

Vehicle Service Agreement Application

AGREEMENT #:

Declarations

PURCHASER INFORMATION

SELLER INFORMATION

VEHICLE INFORMATION

VIN:

Year:

Make:

Model:

COVERAGE INFORMATION

Coverage:

Total Months:

Purchase Date:

Current Odometer:

Cont. Purchase Price:

Deductible:

Additional Options:

Lienholder:

Total Miles:

Expiration Date:

Expiration Odometer:

Vehicle Class:

Plan Code:

Surcharges:

Vehicle Service Agreement Application – continued

The Purchaser understands and acknowledges that:

1. The Purchaser has reviewed and understands the service Agreement and will abide by the terms of the service Agreement.
2. This is an Application for a service Agreement between the Purchaser and the Obligor, National Administrative Service Co., LLC, located at 400 Metro Place North, Suite 300, Dublin, Ohio 43017, 877-356-1500.
3. This Application must be received by the Administrator from the Seller, verified and accepted by the Administrator for Vehicle eligibility, and confirmation and an Agreement number mailed to the Purchaser by the Administrator. If confirmation is not received within sixty (60) days, the Purchaser should call the Administrator at 877-356-1500.
4. This Application will be attached to, and will become a part of the service Agreement.
5. The Purchaser confirms that the information contained in this Application is accurate and complete to the best of their knowledge and belief.
6. Our Obligor's performance under the service Agreement is insured by General Fidelity Insurance Company, a wholly owned subsidiary of Bank of America Company, 201 North Tryon Street, Mail Code NC1-022-05-01, Charlotte, NC 28255. If a covered claim is not paid within sixty (60) days after proof of loss has been filed, you may file a claim with General Fidelity Insurance Company at the address listed herein or call toll free 1-866-373-5939.

I. DEFINITIONS

Throughout this VEHICLE SERVICE AGREEMENT certain words and phrases are used that have special meanings. These terms appear in **boldface type**. Their meanings are listed below:

Actual Cash Value means the N.A.D.A. published average wholesale value of **Your Vehicle** immediately prior to **Breakdown** taking age, condition, and mileage into consideration.

Administrator means the company that provides administrative services for this **Vehicle Service Agreement**.

Application means the information in the Declaration Section above. It lists information regarding **You, Your Vehicle, Coverage** selected, and other vital information.

Breakdown means the complete and total failure of a covered mechanical part or component to perform the function for which it was designed due solely to defects in material or faulty workmanship and not because of any action or inaction of any non-**Covered Part(s)** or wear and tear.

Agreement means this vehicle service **Agreement** that **You** have purchased from **Us** to protect **Your Vehicle**.

Agreement Purchase Date means the sale date of this **Agreement** to **You**.

Covered Part(s) means the Mechanical components described under Section II. BREAKDOWN COVERAGES, as contained in this **Agreement** that are original parts on **Your Vehicle** at the time of its purchase by **You** or like replacement parts meeting the manufacturer's specification.

Deductible means the amount **You** are required to pay, as shown in the Declaration Section, per repair for covered **Breakdowns**. Once a part is repaired or replaced under the terms of this **Agreement**, there will be no **Deductible** for future repairs to that part.

Waiting Period means thirty (30) days and one-thousand (1000) miles or sixty (60) days and five hundred (500) miles from the **Agreement** purchase date, whichever occurs first.

Licensed Repair Facility means a repair facility licensed and/or regulated by the state to perform repairs for profit. The **Licensed Repair Facility** must have a tax identification number.

Odometer Reading At Purchase Date means the original mileage on **Your Vehicle's** odometer on the **Agreement Purchase Date**.

Reasonable Cost means the repair costs that are recognized locally and/or nationally for a similar repair. **We** may use published parts and labor guides to establish **Our** costs. The **Administrator** reserves the right to determine recognized labor manuals. The maximum hourly labor rate that **We** will pay shall not exceed what is usual and customary where your **Vehicle's Breakdown** occurred.

Seller means the marketer of this **Agreement**.

Breakdown Coverages and **Additional Benefits** means the section of this **Agreement** that lists the coverages provided to **You** for **Your Vehicle** under this **Agreement**.

We, Us, Ours means the entity that is obligated to perform under this **Agreement**, as identified in Item 2. of the Declaration Section on the **Application** as "Obligor."

You and Your means the Purchaser shown on the **Application**.

Your Vehicle means the **Vehicle** that is described on the **Application**.

II. BREAKDOWN COVERAGES

We will pay or reimburse You for Reasonable Costs to repair or replace any Breakdown of a mechanical part or component (Covered Part(s)) listed below, less any Deductible(s) You are required to pay. The amount authorized by the Administrator will be paid to the repair facility or directly to you, whichever the Administrator deems appropriate. Replacement parts may be new, remanufactured, non-OEM or like-kind-and quality (used). Reimbursement is based on the Manufacturer's Suggested Retail Price (MSRP) for parts and labor will be based on a nationally recognized labor manual.

Covered Components (by Group):

- A. Engine** - The following parts only are covered: pistons, piston rings, piston pins, crankshaft and main bearings, connecting rods and rod bearings, camshaft and camshaft bearings, timing chain and timing gears, intake and exhaust valves, valve springs, oil pump, push rods, rocker arms, hydraulic lifters, rocker arm shafts and water pump. Turbocharger/Supercharger (factory installed only and Surcharge is paid) housing and all internal parts. No other parts are included under this service contract. Seals and gaskets are only covered when required in connection with the replacement of a Covered Part.
- B. Transmission/Transaxle** - All internally lubricated parts of Manual or Automatic Transmissions, including oil pump, drums, planetary, sun gear and shell, shafts, bearings, side gears, carrier, pinion gear, ring

gear, shift rails, forks, synchronizers, and Torque Converter. Transmission/Transaxle Case if damaged by an internally lubricated Covered Part. Damage resulting from failures by related parts or units such as, but not limited to: Friction parts, such as clutches of any kind, levers, controls, linkage, cables, radiator, coolers, rubber mounts, external or internal metal or rubber lines or hoses, viscous couplings, CV and U-joints, drive axles and internal or external electrical components of the transmission are not covered. Seals and gaskets are only covered when required in connection with the replacement of a Covered Part.

- C. Transfer Case** - All internally lubricated parts of the 4 X 4 Transfer Case. Transfer Case if damaged by an internally lubricated Covered part. Seals and gaskets are only covered when required in connection with the replacement of a Covered Part.
- D. Differential** – All internally lubricated parts. Seals and gaskets are only covered when required in connection with the replacement of a Covered Part.
- E. Air Conditioning** – All internally lubricated parts contained within the compressor, condenser, evaporator, orifice tube. Seals and gaskets are only covered when required in connection with the replacement of a Covered Part.
- F. Electrical** – Alternator, voltage regulator, power window motor(s), heater fan/motor, starter motor. Seals and gaskets are only covered when required in connection with the replacement of a Covered Part.
- G. Fuel** – Fuel delivery (mechanical) pump, fuel (Gas and Diesel) injection pump, metal fuel delivery lines, fuel tank.

III. ADDITIONAL BENEFITS

Towing Benefit – In the event of a Breakdown covered by this service Agreement, We will pay or reimburse You for receipted towing expenses up to one hundred dollars (\$100.00) per occurrence (If provided by Auto Knight, this benefit is limited to eighty-five dollars (\$85.00) per occurrence).

Rental Benefit – In the event of a Breakdown covered by this service Agreement, We will pay or reimburse You for receipted expenses to rent a replacement vehicle (from a licensed rental agency) while Your Vehicle is at a Repair Facility. Coverage will be provided to You up to a maximum of twenty five dollars (\$25.00) for every eight (8) labor hours, or portion thereof, of applicable labor time required to complete the repair, up to a maximum of one hundred-fifty dollars (\$150.00) for each repair visit.

“Sign and Drive” Emergency Roadside Assistance - Available to you beginning on the Effective Date and ending at the Limited Warranty Expiration. If you are in need of non-accident related emergency roadside assistance as listed below, You must call Auto Knight at **(866) 994-4667**. Only service requests provided through this number will be honored. Emergency roadside assistance services are not available in areas where state providers are exclusively utilized. The maximum amount of benefits payable is one hundred dollars (\$100.00) and total benefit throughout the term of this warranty is five hundred dollars (\$500). If the cost of service rendered exceeds one hundred dollars (\$100.00), then you will be required to pay the difference at the time of service. The following benefits are available 24 hours a day, 365 days a year, anywhere in the United States and Canada.

- ◆ **Jump Starts**
- ◆ **Flat Tire Changes** - utilizing your vehicle's inflated spare.
- ◆ **Fluid Delivery** - the cost of fluids is not covered and must be paid by you when service is rendered.
- ◆ **Lockout Service** - cost of key cutting/replacement is not covered and must be paid by you when service is rendered.
- ◆ **Concierge/Navigational Assistance** – includes courtesy assistance and emergency phone call support to relatives, police, etc.

IV. GENERAL PROVISIONS

This service Agreement is between You and Us, and is subject to all the terms and conditions contained herein:

A. **Service Agreement Coverage Period**

Coverage begins at the later of thirty (30) days after the Agreement Purchase Date and one thousand (1000) miles OR sixty (60) days and five hundred (500) miles after the Odometer Reading At Purchase Date. The service Agreement Coverage period expires at 12:01 Eastern Standard Time on the Expiration Date or upon Your Vehicle's odometer reaching the Expiration Mileage as indicated on the Registration Page of this Agreement, whichever occurs first.

B. **Limit of Liability**

Per Component Group - Our total liability per covered component group shall in no event exceed four thousand dollars (\$4,000.00) for engine group claims, two thousand-five hundred dollars (\$2,500.00) for transmission/transaxle group claims, one thousand dollars (\$1,000.00) for differential group claims, one thousand dollars (\$1,000.00) for transfer case group claims, eight hundred dollars (\$800.00) for heating & air conditioning group claims, three hundred (\$300.00) dollars for fuel group claims.

Aggregate - The total aggregate of all claims and benefits paid or payable for all Breakdown Coverages collectively shall not exceed the Average Retail Value (ACV) of Your Vehicle at the time of loss. Once the maximum limit of liability has been reached, this Agreement, its transfer and cancellation rights, terminate. ACV will be determined as listed by the current NADA Used Car Value Guide.

WE will not be liable to YOU for consequential damages or injuries, nor for any costs or expenses that provide betterment, upgrade, or enhancement to YOUR VEHICLE. This limit of liability applies regardless of the cause and regardless of the legal theory asserted. There are no warranties that extend beyond the description on the face hereof.

C. **Deductible(s)**

In the event of a Breakdown covered by this service Agreement, You are required to pay a Deductible for each covered component group repair as listed on the Declaration page of this agreement. Multiple Deductibles per visit may apply.

D. Transferability

1. Your service Agreement may be transferable to someone to whom You sell or otherwise transfer Your Vehicle while this service Agreement is still in force. This service Agreement cannot be transferred if the title transfer of Your Vehicle passes through an entity other than the subsequent buyer, or Your Vehicle is sold or traded to a dealership, leasing agency or entity/individual in the business of selling vehicles. This service Agreement can only be transferred once and the transfer must be initiated by the original service Agreement holder.
2. In order to transfer the service Agreement, the following must be submitted to the Administrator within thirty (30) days of the change of ownership to the subsequent individual purchaser.
 - Original service Agreement Application;
 - Letter requesting transfer signed by You and the purchaser of Your Vehicle and listing the date of transfer and the current odometer mileage;
 - Seventy-Five Dollar (\$75.00) Transfer Fee made payable to the Administrator; and
 - Copies of all maintenance records.

Forward all required documentation to the Administrator at the address shown in the service Agreement.

Any manufacturer's warranty must also be transferred at the same time as vehicle ownership transfer. Note: The term and/or coverages under some vehicle manufacturer's warranties are reduced upon transfer to a subsequent vehicle owner. Breakdowns to components covered by the manufacturer during the term of the original manufacturer's warranty are not covered under this service Agreement regardless of transfer. Copies of all maintenance records and original receipts showing actual oil changes and manufacturer's recommended maintenance must be given to the new owner and provided to the Administrator at the time of submission of the transfer request. These maintenance records must be retained along with similar documentation for future maintenance work that the new owner has performed in accordance with Section VI. YOUR RESPONSIBILITIES. If these requirements are not met, the Administrator has the right to deny transfer of this service Agreement.

E. Cancellation of Your Agreement

1. You may cancel the Agreement at any time by:
 - a. Contacting the Seller to complete and sign a cancellation form.
 - b. Mailing written notice to the Seller of Your desire to cancel the Agreement.

In either instance above, the request must be accompanied by a notarized affidavit indicating the odometer reading at the date of the request.

The request for cancellation must be made no later than forty-five (45) days of the date that the cancellation is to become effective (except in the case of repossession, stolen or totaled vehicles).

The Administrator may request supporting documentation from the primary insurance company or police reports indicating dates and mileage at time of incident.

2. We may cancel, at any time if:

- a. Your Vehicle is totaled or is repossessed.
- b. Your Vehicle's odometer is disconnected or altered or the true and actual miles cannot be determined.
- c. Your Vehicle is used in a manner not covered by the Agreement, including vehicle modifications not recommended by the manufacturer.
- d. The charge for the Agreement is not paid.
- e. You employed intentional misrepresentation in obtaining the Agreement.
- f. You employed intentional misrepresentation in the submission of a claim.
- g. Your Vehicle does not have a valid manufacturer VIN.
- h. Your Vehicle's title is branded as salvage, junk, rebuilt, totaled, flood damaged or manufacturer buyback.
- i. Your claim total aggregate has reached the Vehicle Purchase Price.

Notice of such cancellation will be delivered to You by first class mail. The notice of cancellation will state one of the above mentioned basis of cancellation and will include any reimbursement required. The cancellation will be effective as of the date of termination as stated in the notice of cancellation.

F. Refund Calculation

If no claim has been made under this Agreement, You may return this Agreement within sixty (60) days of the Agreement Purchase Date. Upon Your return of the Agreement within the applicable time period, this Agreement will be null and void and We will refund to You, or credit to Your account, the full amount of the purchase price of this Agreement. This right to void the Agreement is not transferable and applies only to You, the original Agreement Purchaser

If you cancel this Agreement after the sixty (60) day period has expired, or if a claim has been authorized or paid on your behalf pursuant to the Agreement, the cancellation refund will be calculated on a pro-rata method which reflects the greater of the days in force of the miles driven based on the term of the plan selected and the date Coverage began, less any claims authorized or paid on the Agreement where applicable by law, and less a seventy-five dollar (\$75.00) administrative fee.

G. Right of Removal

In the event of any dispute between Us and the Licensed Repair Facility, We shall have the right, with Your permission, to remove the Vehicle to a Licensed Repair Facility of Our choice.

V. WHAT IS NOT COVERED

This service **Agreement** does not provide **Coverage**:

- A. FOR ANY CLAIM NOT RECEIVING PRE-AUTHORIZATION FOR REPAIRS FROM THE ADMINISTRATOR.
- B. FOR REPAIRS TO ANY PART OR PARTS OF THE DESCRIBED VEHICLE NOT SPECIFICALLY LISTED IN SECTION II, BREAKDOWN COVERAGES, OF THIS SERVICE AGREEMENT.
- C. FOR MAINTENANCE SERVICES AND PARTS DESCRIBED DESCRIBED AS SUCH BY THE MANUFACTURER AND OTHER NORMAL MAINTENANCE SERVICES AND PARTS WHICH INCLUDE, BUT ARE NOT LIMITED TO: ALIGNMENTS, ADJUSTMENTS, CLEANING, WHEEL BALANCING, TUNE-UPS, SPARK PLUGS, SPARK PLUG WIRES, GLOW PLUGS, MANUAL TRANSMISSION CLUTCH ASSEMBLY (FRICTION CLUTCH DISC, PRESSURE PLATE, FLYWHEEL, THROW OUT AND PILOT BEARINGS), MANUAL AND HYDRAULIC LINKAGES, HOSES, DRIVE BELTS, SHOP SUPPLIES AND ENVIRONMENTAL WASTE CHARGES.
- D. FOR DAMAGE AND/OR BREAKDOWN RESULTING FROM ROAD HAZARD, THEFT, VANDALISM, FREEZING, RUST OR CORROSION, WATER OR FLOOD, ACTS OF GOD, SALT, CHEMICALS, CONTAMINATION OF FLUIDS/FUELS/ COOLANTS/LUBRICANTS. DAMAGE RESULTING FROM COAGULATED COOLANTS OR OIL SLUDGE IS NOT COVERED.
- E. FOR ANY BREAKDOWN CAUSED BY NEGLIGENCE, LACK OF SCHEDULED MAINTENANCE REQUIRED BY THE MANUFACTURER'S MAINTENANCE SCHEDULE FOR YOUR VEHICLE (SEE "YOUR RESPONSIBILITIES" A. 1), OR IMPROPER SERVICING OR REPAIRS PERFORMED BY YOU OR A REPAIR FACILITY. FAILURE TO PROVIDE VERIFIABLE PROOF OF MAINTENANCE WILL VOID COVERAGE. ANY BREAKDOWN CAUSED BY THE FAILURE TO MAINTAIN PROPER LEVELS OF LUBRICANTS, AND/OR COOLANTS, OR ANY BREAKDOWN RESULTING FROM OVERHEATING.
- F. FOR ANY REPAIR OR REPLACEMENT OF ANY COVERED PART IF A FAILURE OF THAT PART HAS NOT OCCURRED.
- G. IF ANY ALTERATIONS NOT RECOMMENDED BY THE MANUFACTURER HAVE BEEN MADE TO YOUR VEHICLE. IF YOU ARE USING OR HAVE USED YOUR VEHICLE IN A MANNER NOT RECOMMENDED BY THE MANUFACTURER.
- H. FOR VEHICLES THAT DO NOT HAVE VALID MANUFACTURER VIN'S OR ARE TITLE BRANDED AS SALVAGE, JUNK, REBUILT, TOTALED, FLOOD DAMAGED OR MANUFACTURER BUYBACK.
- I. FOR ANY BREAKDOWN IF THE VEHICLE ODOMETER HAS BEEN ALTERED OR CEASED TO OPERATE SO THE ACTUAL VEHICLE MILEAGE CANNOT BE DETERMINED.
- J. FOR ANY LIABILITY FOR PROPERTY DAMAGE, OR FOR INJURY TO OR DEATH OF ANY PERSON, ARISING OUT OF THE OPERATION, MAINTENANCE OR USE OF YOUR VEHICLE, DESCRIBED IN THIS AGREEMENT, WHETHER OR NOT RELATED TO THE

PARTS COVERED. FOR LOSS OF USE, TIME, SHOP DELAYS, PARTS AVAILABILITY, PROFIT, INCONVENIENCE, OR ANY OTHER LOSS OR INCIDENTAL CHARGES.

- K. IF YOUR VEHICLE IS USED FOR TOWING UNLESS YOUR VEHICLE IS EQUIPPED WITH FACTORY INSTALLED OR FACTORY AUTHORIZED TOW PACKAGE. NO COVERAGE WILL BE PROVIDED IF YOUR VEHICLE IS USED FOR RENTAL, TAXI, LIMOUSINE OR SHUTTLE, TOWING OR ROAD REPAIR OPERATIONS, CONSTRUCTION, JOB SITE ACTIVITIES, POLICE OR EMERGENCY SERVICE, RACING, OR SNOW REMOVAL.**
- M. DAMAGE BY NON-COVERED PARTS TO COVERED PARTS IS NOT COVERED. DAMAGE BY COVERED PARTS TO NON-COVERED PARTS IS NOT COVERED.**
- N. A CLAIM CANNOT BE MADE IF THE AGREEMENT HOLDER NO LONGER OWNS THE VEHICLE REGARDLESS OF WHEN THE FAILURE HAS OCCURRED.**
- O. FOR ANY BREAKDOWN OR CONDITION OCCURRING PRIOR TO THE AGREEMENT PURCHASE DATE OR DURING THE AGREEMENT WAITING PERIOD.**
- P. FOR BREAKDOWNS THAT OCCUR TO YOUR VEHICLE OUTSIDE THE UNITED STATES OF AMERICA OR CANADA.**
- Q. FOR DAMAGE AND/OR BREAKDOWN CAUSED BY THE LEAKING OR FAILURE OF ANY SEAL OR GASKET.**
- R. FOR ANY BREAKDOWN CAUSED BY THE GRADUAL REDUCTION IN OPERATING PERFORMANCE DUE TO NORMAL WEAR AND TEAR BASED ON THE AGE AND MILEAGE OF THE VEHICLE.**

VI. YOUR RESPONSIBILITIES

A. Maintenance Requirements and Service History

1. You must have Your Vehicle checked and serviced in accordance with the manufacturer's recommendations, as outlined in the Owner's Manual for Your Vehicle.

NOTE: Your Owner's Manual lists different servicing recommendations based on Your individual driving habits and climate conditions. You are required to follow the normal or severe maintenance schedule that applies to Your conditions. If You do not have an Owner's Manual, You must change the engine oil and engine oil filter at four (4) months/four thousand (4,000) mile intervals. Failure to follow the manufacturer's recommendations that apply to Your specific conditions will result in the denial of Coverage.

2. If applicable, You must replace the engine timing belt at the intervals specified by the vehicle Manufacturer.
3. It is required that You retain "Proof" of maintenance for the service and/or repair work performed on Your Vehicle, regardless if work was performed by You or a Licensed Repair Facility. "Proof" means repair orders from a Licensed Repair Facility and/or a self-maintained maintenance log that has corresponding "purchase receipts" for oil and filter, coolant and brake system flush, etc. A self-maintained log without corresponding "purchase receipts" is not acceptable "Proof" of maintenance. Repair orders from a

Licensed Repair Facility must be readable and understandable, with customer complaint and repair diagnosis, parts, labor hours, vehicle identification number, date, vehicle mileage, Your name and signature, repair facility name, address and phone number, repair totals, Deductible (if applicable), and method of payment to satisfy the repair order. "Proof" of maintenance and/or Your self-maintained log with corresponding original receipts, may be requested by the Administrator for related repairs.

B. Filing a Claim

If Your Vehicle incurs a Breakdown, You must take the following steps to file a claim:

1. Prevent Further Damage - Take immediate action to prevent further damage. This Agreement will not cover the damage caused by continued operation of Your Vehicle after a Breakdown has occurred.
2. Take Your Vehicle to a Licensed Repair Facility - You may contact the Administrator to obtain a listing of "Fleet" repair facilities such as AAMCO, PEP BOYS, or FIRESTONE SERVICE CENTERS in your area.
3. Provide the Repair Facility with a Copy of Your Agreement Note: All claims must be reported to the Administrator prior to expiration of Your Agreement and prior to any repairs being performed.
4. Obtain Authorization from the Administrator - Prior to any repair being made, instruct the Service Manager at the Repair Facility to contact the Administrator to obtain an authorization for the claim. Any claim for repairs without prior authorization will not be covered. The Claims Department can be contacted Monday through Friday, 8:00 a.m. to 8:00 p.m. Eastern Standard Time at 1-877-356-1500. The amount authorized by the Administrator is the maximum amount that will be paid for repairs covered under the terms of this Agreement.
5. Authorize Tear-Down and/or Inspection - In some cases, You may need to authorize the Repair Facility to inspect and/or tear-down Your Vehicle in order to determine the cause and cost of the repair. You will be responsible for these charges if the failure is not covered under this Agreement. We reserve the right to require an inspection of Your Vehicle prior to any repair being made.
6. Pay Any Applicable Deductible - We will reimburse the Licensed Repair Facility or You for the cost of the work performed on Your Vehicle that is covered by this Agreement and previously authorized, less any Deductible. Once authorization is obtained, and the repair is completed, all repair orders and documentation must be submitted to the Administrator within thirty (30) days to be eligible for payment.

VII. REPAIR FACILITY GUIDELINES FOR CLAIMS HANDLING

1. Have Agreement holder authorize inspection/tear down of the Vehicle to determine Failure's cause and cost to repair. Save all components, including fluids and filters, should Administrator require outside inspection. Notify Agreement Holder that cost of team down will not be paid if it is determined that Failure is not covered under this Agreement.
2. Determined the cause of Failure, correction required and cost of the repairs.
3. Contact Administrator's Claims Department at 877-356-1500 to get authorization to proceed with the claim. Be prepared with the following when placing the call:

- a. Customer's Name and Agreement Number.
 - b. Cause of Failure and recommended correction.
 - c. Cost of repair.
4. Obtain Agreement holder's authorization to complete repairs. All repair orders must have customer's signature to qualify for payment.
 5. Submit repair order(s) which should contain Agreement number, authorization number and authorized amount to Administrator within thirty (30) days at the following address: Administrative Offices, 400 Metro Place North, Suite 300, Dublin, Ohio 43017. Repair orders received after 30-days from the date of authorization will be ineligible for payment.

VII. ARBITRATION

IT IS UNDERSTOOD AND AGREED THAT THE TRANSACTION EVIDENCED BY THIS POLICY TAKES PLACE IN AND SUBSTANTIALLY AFFECTS INTERSTATE COMMERCE. ANY CONTROVERSY OR DISPUTE ARISING OUT OF RELATING IN ANY WAY TO THIS POLICY OR THE SALE OF THIS POLICY, INCLUDING FOR RECOVERY OF ANY CLAIM UNDER THIS POLICY INCLUDING THE APPLICABILITY OF THIS ARBITRATION CLAUSE AND THE VALIDITY OF THIS POLICY SHALL BE RESOLVED BY THE NEUTRAL BINDING ARBITRATION ON AN INDIVIDUAL BASIS WITHOUT RESORT TO ANY FORM OF CLASS ACTION OR ANY OTHER COLLECTIVE OR REPRESENTATIVE PROCEEDING BY THE AMERICAN ARBITRATION ASSOCIATION (AAA), UNDER THE COMMERCIAL ARBITRATION RULES IN EFFECT AT THE TIME THE CLAIM IS FILED. ALL PRELIMINARY ISSUES OF ARBITRATION WILL BE DECIDED BY THE ARBITRATOR.

1. THE ARBITRATION SHALL TAKE PLACE IN THE COUNTRY OF RESIDENCE OF THE INSURED UNLESS ANOTHER LOCATION IS MUTUALLY AGREED UPON BY THE PARTIES. THE ARBITRATION SHALL TAKE PLACE BEFORE A SINGLE ARBITRATOR SELECTED IN ACCORDANCE WITH THE AAA COMMERCIAL ARBITRATION RULES. AAA RULES AND FORMS MAY BE OBTAINED AND ALL CLAIMS SHALL BE FILED AT WWW.ADR.ORG OR AT ANY AAA OFFICE.

2. THE COST OF THE ARBITRATION SHALL BE BORNE BY US EXCEPT THAT EACH PARTY MUST BEAR THE COST OF ITS OWN ATTORNEYS, EXPERTS AND WITNESS FEES AND EXPENSES. HOWEVER, IF THE ARBITRATOR HOLDS THAT A PARTY HAS RAISED A DISPUTE WITHOUT SUBSTANTIAL JUSTIFICATION, THE ARBITRATOR SHALL HAVE THE AUTHORITY TO ORDER THAT THE COST OF THE ARBITRATION PROCEEDINGS BE BORNE BY THE OTHER PARTY.

3. IT IS UNDERSTOOD AND AGREED THAT THE ARBITRATION SHALL BE BINDING UPON THE PARTIES, THAT THE PARTIES ARE WAIVING THEIR RIGHT TO SEEK REMEDIES IN COURT, INCLUDING THE RIGHT TO A JURY TRIAL. YOU WILL NOT BE ABLE TO PARTICIPATE AS A REPRESENTATIVE OR MEMBER OF ANY CLASS OF CLAIMANTS. AN ARBITRATION AWARD MAY NOT BE SET ASIDE IN LATER LITIGATION EXCEPT UPON THE LIMITED CIRCUMSTANCES SET FORTH IN THE FEDERAL ARBITRATION ACT. AN AWARD IN ARBITRATION WILL BE ENFORCEABLE UNDER THE FEDERAL ARBITRATION ACT BY ANY COURT HAVING JURISDICTION.