



VEHICLE SERVICE AGREEMENT

Palmer Administrative Services, Inc.
3430 Sunset Avenue
Ocean, NJ 07712

Congratulations on **Your** purchase. **You** have selected a comprehensive **Vehicle Service Agreement** giving **You** peace of mind and security against mechanical **Failures** cited in the terms herein.

CUSTOMER SERVICE – 1 (800) 599-9557

CLAIMS – 888-802-8217

IMPORTANT INFORMATION YOU NEED TO KNOW

Please look for **Your “Service Agreement”** number on the **Declaration Page**. Please refer to this number in any written or verbal communication, such as requesting information or filing a claim.

TOPIC / SECTION	PAGE
Definitions	2
Terms and Conditions.....	3
Other Important Service Agreement Provisions	5
What This Service Agreement Covers.....	6
Benefits	8
What You Must Do To Keep This Service Agreement In Effect	9
What To Do In The Event of Failure	10
Repair Facility Guidelines.....	11
What This Service Agreement Does Not Cover.....	13
Cancellation of Vehicle Service Agreement.....	15
Transfer Rights and Procedure.....	17
Special State Disclosures (if applicable).....	S1

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I have read and understand this **Service Agreement** in its entirety. Without limiting the specific provisions of this **Service Agreement**, I hereby acknowledge the following:

- Coverage listed in your contract is not subject to any verbal representation made by the seller of this contract.
- This **Service Agreement** is issued exclusively to me with respect to the **Vehicle** identified on the **Declaration Page**.
- In order to keep this **Service Agreement** in effect, I must perform the oil changes and at regular intervals as required by the section **WHAT YOU MUST DO TO KEEP YOUR SERVICE AGREEMENT IN EFFECT**.
- All work covered by this **Service Agreement** must be performed by a repair facility authorized by the **Administrator**.

DEFINITIONS

The following definitions apply to words frequently used in this **Service Agreement** and appear in boldface type.

Administrator refers to Palmer Administrative Services, Inc.

Declaration Page – refers to the numbered document (**Service Agreement Number**), which should be enclosed and becomes part of this **Service Agreement**. It gives information about **You, Your Vehicle, Coverage** chosen and other significant data.

Deductible – refers to the **Deductible** type and amount **You** will need to pay, as shown in the **Declaration Page** for each component covered under this contract. **Failure** – refers to the **Failure** of a covered part under normal service. A covered part has failed when it can no longer perform the function for which it was designed solely due to its condition, and not due to the action or inaction of any non-covered parts. A **Failure** does not include gradual reduction in operating performance due to normal wear and tear.

Service Agreement – refers to this **Vehicle Service Agreement** that **You** purchased from **Us** to protect **Your Vehicle**

Vehicle – refers to the **Vehicle** identified on the **Declaration Page**, which cannot be used for rental, emergency or for-hire purposes.

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We, Us, Our – refers to Palmer Administrative Services, Inc. 3430 Sunset Avenue, Ocean, NJ 07712, who is obligated to perform under this **Service Agreement**, as indicated on the **Declaration Page**.

You, Your – refers to the **Service Agreement** holder named on the **Declaration Page** or the person to whom this **Service Agreement** was properly transferred.

TERMS & CONDITIONS

This **Service Agreement** is subject to the following provisions:

1. SERVICE AGREEMENT PERIOD

Coverage under this **Service Agreement** begins on the thirty-first (31st) day after the **Service Agreement** sale date and one thousand (1,000) miles from the odometer reading at the time of the sale, and will expire according to time and/or mileage of the **Service Agreement** selected, whichever occurs first, as shown on **Your Declaration Page**. A used **Vehicle Service Agreement** expiration is measured from the **Service Agreement** purchase date and the odometer mileage at **Service Agreement** purchase date.

2. FAILURE OF COVERED PARTS AND LABOR

We will pay or reimburse **You** for reasonable costs to repair or replace any **Failure** of a part and labor included in **Your Coverage**. Replacement parts may be new, remanufactured or replacement parts of like kind and quality.

3. TERRITORY

This **Service Agreement** is limited to **Failures**, which occur, and repairs that are made, within the United States of America (excluding U.S. territories and possessions) and Canada.

4. LIMIT OF LIABILITY

The aggregate total of provider's limit of liability for all benefits paid or payable during the term of this service agreement shall not exceed the NADA fair trade in value or \$25,000 whichever is less.

5. OUR RIGHT TO RECOVERY

If **We** pay anything under this **Service Agreement** and **You** have the right to recover from another party, **Your** rights will become **Our** rights

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up to the amount **We** paid and **You** will do whatever is necessary to enable **Us** to enforce these rights.

6. MAINTENANCE REQUIREMENTS

You must maintain your vehicle according to the manufacturer's recommendations as outlined in your owner's manual. You are required to follow the maintenance schedule that applies to your driving conditions and environment. You are solely responsible to be sure only proper lubricants, coolants, fluids and filters, as recommended by your vehicle's manufacturer are used in your vehicle. You will be required at our discretion to present verifiable receipts from a licensed repair facility for all maintenance and repairs performed on your vehicle. If requested, proof of all maintenance and repairs must include the owner's name, vehicle mileage at the time of service, service date, repair facility name, vehicle identification number. Your failure or inability to do so may result in denial of coverage.

7. DEDUCTIBLE

In the event of a **Failure** covered by this **Service Agreement**, **You** will be required to pay a one hundred dollar (\$100.00) **Deductible** per component failure unless otherwise stated in this **Service Agreement**. No **Deductible** payment is required with respect to **Coverage** listed in the **Benefits** section of this **Service Agreement**.

8. ARBITRATION

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

Any legal dispute between YOU and ADMINISTRATOR relating to this CONTRACT shall be resolved by binding arbitration. 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 Binding Pre-Dispute Arbitration Rules ("Rules") of the Better Business Bureau ("BBB") in effect when the Claim is filed. You may get a copy of the BBB's Rules by contacting BBB at 1262 Whitehorse Hamilton Square Rd, Building A, Suite 202, Hamilton Township, NJ 08690, calling (609) 588-0808, or visiting www.bbb.org. The filing fees to begin and carry out arbitration will be shared equally

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between You and Us. The Federal Arbitration Act, 9 U.S.C. § 1, et seq., will govern and not any state law on arbitration. 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. The parties agree to arbitrate solely on an individual basis, and that this CONTRACT does not permit class arbitration or any claims brought as a plaintiff or class member in any class or representative arbitration proceeding. The arbitrator may not consolidate more than one person's claims, and may not otherwise preside over any form of a representative or class proceeding. Please refer to the Special State Disclosures 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.

10. SERVICE AGREEMENT INSURED BY

You are reminded that this **Service Agreement** is not an insurance policy. However, an insurance policy is in effect with State National Insurance Company, Inc. If **We** fail to pay an authorized claim within sixty (60) days after proof of loss has been filed, **You** are entitled to make a direct claim against the insurer, State National Insurance Company, Inc., 1900 L Don Dodson Drive, Bedford, TX, 76021, 800-877-4567. Upon contacting the insurance company, please reference policy prefix DMY.

OTHER IMPORTANT SERVICE AGREEMENT PROVISIONS

- If the original manufacturer's warranty relating to the **Vehicle** has been transferred to **You** or if another service contract is in place, **You** must first obtain all repairs of the covered parts under the manufacturer's warranty or other service contract before this **Service Agreement** will apply.
- If any authorized repairs under this **Service Agreement** are performed by a repair facility approved by the **Administrator**, **You** must transfer and assign to **Us** all rights **You** may have against such

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facility, including **Your** rights under any repairer's guaranty, and do nothing to prejudice **Our** ability to enforce such rights. As one remedy to enforce such rights, **We** may require **You** to take the **Vehicle** back to such facility for follow-up repairs.

WHAT THIS SERVICE AGREEMENT COVERS

What is covered by this **Service Agreement**:

The following is a list of covered parts under this Service Agreement:

ENGINE (Gas & Diesel): All internally lubricated parts of the **Vehicle's** engine, the engine block and cylinder heads provided the **Failure** of the engine block or cylinder heads is caused by the **Failure** of an internally lubricated part. **Coverage does not include the timing belt or its related components.**

Hybrid/Electric Vehicle Components (hybrid surcharge must be purchased at the time of sale and selected on the declarations page of this service agreement): Power control module, inverter, inverter module, charge module, service switch, cooling pump, cooling radiator, electric motor/generator.

TURBO CHARGER: All internal parts including the vanes, compressor wheel, unison ring, shafts, bearings, turbine. The turbocharger housing is covered only if damaged by one of the listed internally lubricated parts.

TRANSMISSION: All internal parts, torque converter, vacuum modulator, electric control unit and speed sensor, and mounts. The case is also covered if damage is caused by **Failure** of any of the above covered items.

TRANSFER UNIT: (4x4 and AWD) (optional surcharge must be marked on declaration page): Internal parts including bearings, bushings, sprockets, chains, sleeves and gears (excluding electrical items). The transfer case is also covered if damage is caused by **Failure** of any of the above covered components.

DRIVE AXELS: All internal parts including ring, pinion, bearings, shims, bushings. The final drive housing, transaxle differential housing, and axle housing are also covered if damaged by a listed internally lubricated part.

DRIVELINE: Axle shafts, drive and propeller shafts, universal joints, guibo joint, hub bearings, locking hubs, wheel bearings, spindles.

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STEERING: Rack and pinion assembly, steering gear, inner and outer tie rod ends, idler arm, pitman arm, drag link, steering knuckles, steering column (excluding all accessories and electronics mounted on steering column, not otherwise listed for covered in this contract), main shaft, intermediate shaft, steering shaft coupler/joint, electric steering motor, power steering pump.

FRONT AND REAR SUSPENSION: Stabilizer shaft, stabilizer shaft bushings, stabilizer shaft end links, trailing arms, torque rods, control arms, ball joints, and track bar.

BRAKES: Master cylinder, brake booster, abs hydraulic control unit, wheel cylinders, proportioning valve, metering valve, combination valve, wheel speed sensors, electronic brake control unit, steel lines, backing plates, rear brake hardware, calipers, vacuum booster pump.

ELECTRICAL: Alternator, wiper motors, starter motor, starter solenoid, manually operated switches, blower motor, power door lock, actuators, power window motors and regulators, power seat motors.

AIR CONDITIONING: Compressor, condenser, evaporator, expansion valve, control head, clutch and coil, drier and accumulators, orifice tube, cutoff switches, condenser fan.

COOLING: Water pump, radiator fan, radiator, radiator fan clutch.

FUEL: Fuel pump, fuel injectors, metal fuel delivery lines, fuel tank, and fuel distributor.

SEALS AND GASKETS: SEALS AND GASKETS ARE **NOT** COVERED.

LUXURY COMPONENT PACKAGE:(luxury component package surcharge must be purchased at the time of sale and selected on the declarations page of this service agreement): The following specifically named **Vehicle** Manufacturer/Factory installed parts: Radios, magnetic tape players/recorders, compact disc players. (Coverage does not include remote compact disc players/changers, regardless of location.) GPS/Navigation components; liquid crystal display (LCD) screens; DVD players; rear view backup cameras and sensors, voice activation systems. The above Luxury Component Package coverage is limited to the Failure of the "base unit" and does not cover any remote controls, hand-held controls, wiring, game cartridges, headphones, DVD's, MP3 players,

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programming, or any other non-listed parts for the covered Luxury Component Package items above.

ONLY THOSE PARTS LISTED ABOVE ARE COVERED PARTS. ANY PARTS NOT LISTED ABOVE ARE NOT COVERED BY THIS SERVICE AGREEMENT.

Subject to the exclusions listed in the section **WHAT THIS SERVICE AGREEMENT DOES NOT COVER** and **Your** compliance with all of the conditions set forth in the section **WHAT YOU MUST DO TO KEEP THIS SERVICE AGREEMENT IN EFFECT**, in the event of a **failure** of a covered part, We will pay to either (1) repair the covered part, or (2) replace the covered part with a new or remanufactured part of like kind and quality, less **Your Deductible**. The decision to repair or replace the covered part or to use new or remanufactured parts or parts of like kind and quality shall be the sole discretion of the **Administrator**. All repair or replacements shall be performed by an authorized repair facility approved by the Administrator.

BENEFITS

CAR RENTAL: We will, in the event of a **Failure** covered by this **Service Agreement**, pay or reimburse **You** for receipted expenses to rent replacement transportation (from a Dealer or licensed rental agency) while **Your Vehicle** is undergoing repair. Such payment shall be limited to thirty dollars (\$30.00) for each eight (8) labor hours, or a portion thereof, of applicable labor time necessary to complete the repair, up to a maximum of one hundred fifty dollars (\$150.00) per occurrence. This **Coverage** does not apply to time waiting for parts or other delays beyond the control of the repair facility. In the event of a major component (engine, transmission or drive axle) replacement, a maximum of three (3) days of parts delay **Coverage** will be afforded provided additional authorization is obtained from the **Administrator** (except where prohibited by law).

LOST KEY/LOCKOUT: We will, in the event **Your Vehicle** key(s) are lost, broken or accidentally locked in **Your Vehicle**, reimburse **You** for receipted expense up to a maximum of thirty-five dollars (\$35.00) for licensed locksmith services (except where prohibited by law).

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TOWING AND ROAD SERVICE: We will, in the event of a **Failure** covered by this **Service Agreement**, pay or reimburse **You** for reasonable related towing charges not to exceed fifty dollars (\$50.00) per occurrence, actually incurred to tow **Your Vehicle** to an authorized, licensed repair facility (except where prohibited by law).

TRAVEL EXPENSES: We will, in the event of a **Failure** covered by this **Service Agreement** occurring more than one hundred (100) miles from **Your** home, reimburse **You** up to seventy five dollars (\$75.00) per day for up to three (3) consecutive days for receipted motel/restaurant expenses (except where prohibited by law). The date of **Failure** will be considered the first day of the three (3) day maximum period.

WHAT YOU MUST DO TO KEEP THIS SERVICE AGREEMENT IN EFFECT

As a condition precedent to the obligation of **Administrator** to repair or replace covered parts or components, the **Service Agreement** holder shall have complied with all Terms and Conditions of the **Service Agreement**, including specifically, but without limitation, the requirements for maintaining the **Vehicle**.

1. You must maintain your vehicle according to the manufacturer's recommendations as outlined in your owner's manual. You are required to follow the maintenance schedule that applies to your driving conditions and environment. You are solely responsible to be sure only proper lubricants, coolants, fluids and filters, as recommended by your vehicle's manufacturer are used in your vehicle. You will be required at our discretion to present verifiable receipts from a licensed repair facility for all maintenance and repairs performed on your vehicle. If requested, proof of all maintenance and repairs must include the owner's name, vehicle mileage at the time of service, service date, repair facility name, vehicle identification number. Your failure or inability to do so may result in denial of coverage
2. **Be sure only the proper high quality grade of lubricants and coolants as recommended by the Manufacturer are used in Your Vehicle.**

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3. This Service Agreement does not cover damage caused by inadequate fluid levels. Check **Your** fluid every three hundred (300) miles or when refueling.
4. **You** are responsible for taking immediate corrective action to repair, at **Your** expense, engine lubricant leaks and engine coolant leaks discovered in the course of any oil change or at any other time.
5. **You** must refrain from altering, tampering with, or replacing the **Vehicle** Identification Number (VIN) or the odometer of **Your Vehicle**. If for any reason the odometer fails to work as intended, **You** must immediately have it repaired at **Your** expense.

Keep all Your Maintenance Receipts and Repair Orders – Proof of proper maintenance may be required for certain repairs under this **Service Agreement**.

If **You** fail to perform any of the above conditions, this **Service Agreement** shall be null and void.

WHAT TO DO IN THE EVENT OF A FAILURE

1. Prevent Further Damage – **You** should use all reasonable means and precautions to protect **Your Vehicle** from further damage. This **Service Agreement** will not cover damage caused by not securing a timely repair of the failed component.
2. If **Your Vehicle** breaks down, return to the issuing dealer during normal service department hours. If this is not possible, take **Your Vehicle** to the licensed repair facility of **Your** choice. Instruct the repair facility that they must obtain an authorization number from the **Administrator** prior to proceeding with the repairs. The amount authorized is the maximum that will be paid. Any additional amounts need prior approval.
3. In some cases, **You** may be required to authorize the repair facility to inspect or tear down **Your Vehicle** to determine the cause of **Failure** and cost of the repair. **You** will be responsible for these charges if the **Failure** is not covered by this **Service Agreement**. **We** reserve the right to require an inspection of **Your Vehicle** prior to any repair being performed. **We** reserve the right to move **Your** covered **Vehicle** to another repair facility.

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4. After the **Administrator** has been contacted, review with the repair facility the components that will be covered by this **Service Agreement**.
5. **We** will reimburse the repair facility or **You** for the cost of authorized repairs performed on **Your Vehicle**, less any applicable **Deductible**. All repair orders and necessary documentation **must** be submitted to **Us** within thirty (30) days by **You** or the repair facility to qualify for payment.
6. State Laws and Administrative Codes may supersede any of the provision herein.
7. If **You** have financed the purchase of the **Service Agreement** and there is an outstanding balance due and the claim amount is larger than the amount **You** have paid, the outstanding balance may be deducted from the authorized claim payment for customers in the following states: AR, CO, DE, D.C., ID, IN, KS, KY, ME, MA, MI, MS, MT, NJ, OH, PA, RI, SD, TN, and WV.
8. The maximum labor rate to be paid on any covered repair will be based on average repair facility labor rates for the zip code area as determined by the administrator, but not to exceed one hundred dollars per hour. Any labor charges over one hundred dollars per hour will be your responsibility.

REPAIR FACILITY GUIDELINES FOR CLAIMS HANDLING

Follow these steps when handling a claim:

1. Advise **Service Agreement** holder that evaluation of a **Failure** does not mean that the repair is covered under this **Service Agreement**. All covered repairs must receive prior authorization from the **Administrator**.
2. Have **Service Agreement** holder authorize inspection/tear down of the **Vehicle** to determine the cause of the **Failure** and cost to repair. Save all components, including fluids and filters, should the **Administrator** require outside inspection. Notify the **Service Agreement** holder that cost of tear down will not be paid if it is determined that the **Failure** is not covered under this **Service Agreement**.

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3. Determine the cause of **Failure**, repair required and the cost of the repair(s).
4. Contact the **Administrator's** Claim Department at 888-802-8217 to get an authorization to proceed with the claim. Be prepared with the following information when placing the call:
 - a) Customer's Name and **Service Agreement** Number.
 - b) Cause of **Failure** and recommended repair.
 - c) Cost of repair(s).
5. A claims advisor will verify coverage and do one of the following:
 - a) Approve Claim – if approved, you will be given an authorization number to be recorded on the repair order. The authorized amount is the maximum that will be paid. Additional amounts must receive prior approval.
 - b) Require Additional Evaluation, Inspection or Tear Down – the **Administrator** may require an inspection prior to the repair performed. If a tear down is required to determine cause of **Failure**, **Service Agreement** holder must authorize same. Notify the **Service Agreement** holder that if the repair is not covered, then the **Service Agreement** holder will be responsible for cost of tear down. Repair facility should save all the components requiring inspection, including fluids and filters. The claims advisor will arrange for the inspection. If inspection is not made within forty-eight (48) hours, contact the claims advisor.
 - c) Deny the claim and provide the reason for the denial.
6. Review **Administrator's** findings with the **Service Agreement** holder as well as what will be covered by the **Service Agreement** and what portion of the repair(s), if any, will not be covered.
7. Obtain **Service Agreement** holder's authorization to complete the repair(s). All repair orders must have **Service Agreement** holder's signature to qualify for payment.
8. Submit the repair order(s) that must contain the **Service Agreement** number, authorization number and authorized amount to the **Administrator** within thirty (30) days to the following address:

Palmer Administrative Services, Inc.
Drawer 223

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Allenhurst, NJ 07711
Claims Number: 888-802-8217

WHAT THIS SERVICE AGREEMENT DOES NOT COVER

This service agreement does not cover any part that is not listed for coverage or that are specifically excluded, any of the following failures or any failures with the following condition:

1. The Following Parts: carburetors, battery, shocks, struts, manual transmission and semi-automatic transmission clutch assemblies including the pressure plate, shafts, flywheel, throw out bearing, friction discs, manual and hydraulic linkages, distributor cap and rotor, safety restraint systems, glass, lenses, bulbs, brake pads and rotors, brake drums and shoes, brake caliper slides and brackets, exhaust and emission components, catalytic converters, air injection pumps, tubing, hoses, evaporative emissions system, constant velocity joint boots and seals, weather stripping, trim, molding, bright metal, chrome, upholstery and carpet, ornamentation, bumpers, sheet metal, body panels, tires, wheels and rims, factory or non-factory installed phone systems and internet access systems are not covered..
2. Any non-factory installed parts or systems including dealer installed items.
3. Maintenance services and parts as described in your vehicle's owner's manual including but not limited to: alignments, oil and fluid changes or flushes, wheel balancing, tune ups, spark plugs, ignition wires and coil boots, glow plugs, hoses, belts, brake pads and shoes, drums and rotors, wiper blades, filters, lubricants, refrigerants, adjustments.
5. Any component not covered by the **Vehicle** manufacturer for the full term of the **Vehicle** warranty is excluded.
6. Any failure resulting from collision, fire, theft, vandalism, riot, explosion, lightening, earthquake, freezing, windstorm, sandstorm, hail, water or flood, acts of god, salt, environmental damage.
7. Any failure caused by or related to contamination of and fluid, fuel, lubricant or coolant.

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8. Any failure caused by misuse, abuse, negligence, lack of maintenance, improper servicing, failure to maintain proper fluid levels, coolant levels and lubricant levels.
9. Any failure related to or resulting from sludge or varnish, carbon, pre-ignition, detonation, rust, corrosion, foreign objects, dirt, dust, liquids, road chemicals.
10. Any pre-existing failure that existed with or without your knowledge prior to the purchase date or effective date as listed on the declarations page or during the 30 day and 1000 mile waiting period.
11. Any repair necessitated by improper prior repairs.
12. Any failure cause by the failure to replace seals or gaskets or otherwise to protect the vehicle from loss of any fluid, coolant or lubricant.
13. Repairs required to any part, system or assembly when damage was caused due to continued operation without sufficient lubricants or coolants. You are responsible for making certain that the oil and temperature warning lights, gauges and warning systems are operating properly. You must discontinue operation of the vehicle immediately when any of these warning systems indicate a system failure, inadequate protection or performance.
14. Any failure caused by overheating.
15. Any failure for which the manufacturer has announced its responsibility through any means including recalls and factory service bulletins.
16. For failures covered by an insurance policy or by any other warranty including an active warranty with the manufacturer or any other provider.
17. A failure caused by gradual reduction in operating performance do to wear and tear such as worn valves and guides, worn or stuck piston rings, automatic clutch friction discs and steels or any failures with the complaint of oil consumption or to correct low compression.

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18. Our liability for incidental and consequential damages including, but not limited to, personal injury, physical damaged, property damage, loss of use of your vehicle, loss of time, inconvenience.
19. All costs associated with the tear down and diagnosis of a potential failure, unless it is subsequently determined that failure is by this service agreement has occurred.
20. Any failure to any part or system that has been modified and does not meet the manufacturer's factory specification. This includes any failure associated directly or indirectly to the modified part or system. Modifications and alteration include but are not limited to over or undersized wheels, over or undersized tires, modified headers and exhaust systems, modified engine intake, altered engine management systems, modified fuel systems, aftermarket sun or moon roofs, alarm systems, remote start systems, snow plow gear, lift kits, modified suspension and steering systems, installation of programmers or engine/transmission systems. Modifications to any system of the vehicle may void this service agreement.
21. If your vehicle is used for towing a trailer or hauling any other object if the load is trailer exceeds the capacity limits outlined in the vehicle's owner's manual.
22. All failures if the vehicle is used for commercial purposes including but not limited to, rental, taxi, limousine, livery or shuttle, towing, road repair, construction, farming or agricultural purposes, job site activities, hauling, police, ems, fire, emergency services, racing, competition, snow removal, route work.
23. Any repairs if your vehicle is a lemon law buyback vehicle, grey market vehicle, if the vehicle ever had a junk, salvage, total loss or any other title brand that indicates the vehicle was damaged by water, destroyed or wrecked.
24. All failures occurring outside of the United States or Canada.
25. Any failure occurring prior to the service agreement purchase date, or if information provided by you or a repair facility cannot be verified as accurate or is found to be deceptively inaccurate.

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CANCELLATION OF VEHICLE SERVICE AGREEMENT

1. **CANCELLATION** – This **Service Agreement** only applies to **You** and **Your Vehicle**. In the event the covered **Vehicle** is repossessed, declared a total loss, or **You** give notice of cancellation, this **Vehicle Service Agreement** shall terminate. Submit immediately to Palmer Administrative Services, Inc. (per #3 below) or the selling dealer/vendor in writing the following: The **Service Agreement** number, VIN, mileage – including a certified odometer reading, and the make and model of the **Vehicle**. If cancelled within thirty (30) days and no claims have been paid, the amount of the refund shall be equal to the full amount paid for this **Service Agreement**. Otherwise in determining the amount of any refund, the purchase price of the **Service Agreement** shall be multiplied by the greater of (a) the portion obtained by dividing the total mileage used from the date of sales of the **Vehicle** by the maximum number of miles covered under this **Service Agreement** or (b) the fraction obtained by dividing the number of months covered under this **Service Agreement**. The difference between the number so obtained and the price of the **Service Agreement**, less a refund fee (as determined below), less any authorized claims (where allowable by law) shall be refunded to **You** and/or the lienholder. In the event of repossession or total loss, the lienholder will be the sole payee. Refer to the state notices on the back of this page for specific state guidelines.

CANCELLATION FEE: The cancellation fee is seventy-five dollars (\$75.00). See State Guidelines for exceptions.

2. **We** may cancel this **Service Agreement** for non-payment of any portion of the **Agreement** purchase price that is past due, for misrepresentation in obtaining this **Agreement**, misrepresentation in the submission of a claim, or if **Your Vehicle** is found to be modified in a manner not recommended by the **Vehicle** manufacturer.
 - a. In the event **Your Agreement** is cancelled for non-payment, You will receive, at the **Administrator's** discretion, either:
 - a. A pro rata refund based upon the total **Agreement** purchase price calculated based upon the greater of the days in force or the miles driven compared to the total

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- Agreement** term, less claims paid and less a cancellation fee of seventy-five dollars (\$75.00), see specific state guidelines for exceptions; or
- b. A continuation of **Your** coverage until a future cancel date or odometer reading. This future cancel date and odometer reading shall be determined by calculating the percentage of the total **Agreement** price that has been paid after deducting a cancellation fee and claims paid, if applicable, and applying that percentage to the **Agreement** term and mileage term purchased and adding such amounts to the **Agreement** effective date and the true and accurate starting odometer reading as provided in Your **Declaration Page**. Cancellation for misrepresentation in obtaining the **Agreement** or **Vehicle** modification shall be based on one hundred percent (100%) of the unearned pro rata Agreement purchase price, as of the cancellation date, less claims paid and less the seventy-five dollar (\$75.00) cancellation fee, if applicable.
 - b. Cancellation of this **Service Agreement** shall become effective fifteen (15) days after notice of Cancellation has been mailed to **You**.
3. In the event **You** cancel this **Service Agreement**: Please mail cancellation request including the certified odometer reading to: Palmer Administrative Services, Inc. Drawer 223, Allenhurst, NJ 07711.
 4. By the Lienholder – **You** understand and acknowledge that the lienholder (if any) has the right to cancel this **Service Agreement** if **Your Vehicle** is repossessed or destroyed or **You** are otherwise in default of **Your** obligations to repay the amount financed by the lienholder.
 5. All cancellations refunds for **Agreements** that have not been completely paid for at the time of the cancellation refund may be fully or partially paid to the finance company or other party responsible for collecting payments on **Your Agreement** as listed on the **Declaration Page** of this Agreement or any separate payment plan agreement entered into at the time of purchase.

NO CLAIM WILL BE PAID WITHOUT PRIOR AUTHORIZATION



TRANSFER RIGHTS AND PROCEDURE

Transfer Rights

This **Service Agreement** is for the benefit of the original **Service Agreement** holder and is transferable subject to a transfer fee and providing **Service Agreement** is being transferred to a subsequent private purchaser of the **Service Agreement** holders **Vehicle**. (Transfer rights are voided when **Vehicle** is either traded or sold to an Automobile Dealer or Broker).

Transfer Procedure

Submit the following:

1. Transfer Application (available from the **Administrator**).
2. Bill of Sale showing the sale date and mileage at the time of sale.
3. Transfer fee of one hundred dollars (\$100.00) to the **Administrator** within fifteen (15) days of **Vehicle** ownership.
4. **Service Agreement** has been paid in full.

Notice: You are reminded that this contract is not an insurance policy. However, an insurance policy is in effect with State National Insurance Company, Inc. If We fail to pay an authorized claim within sixty (60) days after proof of loss has been filed, You are entitled to make a direct claim against the insurer, State National Insurance Company, Inc., 1900 L Don Dodson Drive, Bedford, TX, 76021, 800-877-4567. Upon contacting the insurance company, please reference policy prefix DMY.

NO CLAIM WILL BE PAID WITHOUT PRIOR AUTHORIZATION