
CONTRACT PROVISIONS - PART B

SECTION I. DEFINITIONS

In this Contract, certain words that appear in **bold** have the following special meanings:

“**We**”, “**Us**”, “**Our**”, “**Administrator**” and “**Service Provider**” mean Mercury Select Management Company, Inc.

“**You**”, “**Your(s)**”, and “**Contract Holder**” mean the person named as the registered owner of the covered **Vehicle** identified in the Application.

“**Vehicle**” means only the private passenger automobile or truck listed as the covered **Vehicle** in the Application, which is used solely for personal and private use. (Limited commercial usage is available at additional cost.)

“**Mechanical Breakdown**” means the inability of a properly maintained component to function as intended by the manufacturer, **except as specifically set forth herein**. Note: Minor loss of fluid is considered normal and does not constitute a **Mechanical Breakdown**.

“**Repair Cost**” means the parts and labor expense necessary to repair or replace any **Covered Component** that is the result of a covered **Mechanical Breakdown**, subject to the exclusions set forth herein. **We may use replacement components of a like kind and quality that may be rebuilt, remanufactured, or used**. Parts pricing shall not exceed **Your Vehicle** manufacturer’s suggested retail price or the suggested retail price of a like kind and quality part, whichever is authorized by **Us**. Labor will be determined by a current nationally recognized flat rate labor guide. **Repair Cost includes the required taxes associated with the covered Mechanical Breakdown according to state specific laws.**

- **For Copper Coverage, Repair Cost does NOT include non-named or excluded items.**

“**Deductible**” is the amount shown on the signed Application that **You** are responsible to pay for each covered repair visit. If a previously **Covered Component** fails for a subsequent time during the term of this Contract, no **Deductible** shall apply to those subsequent repair visits, unless additional **Covered Components** not previously covered are also being repaired.

“**Maintenance Records**” means the original verifiable receipts or invoices which confirm that all **Vehicle** maintenance has been performed as required by this Contract. Refer to Conditions of Coverage and the Vehicle Maintenance sections of this Contract.

“**Prior Authorization**” means **You** must obtain authorization and ensure that an approval number is issued by **Us** prior to any repairs being performed on the **Vehicle**. However, also see Section IV, Conditions of Coverage, Subsection 3, related to Emergency Repairs.

“**Commercial Use**” means, but is not limited to, the use of **Your Vehicle** for activities such as farming, ranching, rodeo, route work, job-site activities, deliveries, service calls, construction, hauling, daily rental, or carrying passengers for hire, whether **Your Vehicle** is licensed, registered or titled for commercial purposes or not, or licensed, registered or titled to a corporation or not.

- **Certain types of Commercial Use are allowed only if You have paid the Commercial Use surcharge at the time of application for this Contract.**
- **Surcharged Commercial Use coverage absolutely excludes Vehicles that are being used for, or will be used for, the following types of Commercial Use: taxi, rental, mail carrier, snow plow, oil field, police or security, ambulance, shuttle service, tow truck, auto transport, road construction, fire or rescue, waste removal, dump truck, winch truck, hazardous material transportation, racing or competitive driving or any military/federal/state/city/government use.**

“**Actual Cash Value**” means the average trade-in value of **Your Vehicle** as published in the Kelley Blue Book Used Vehicle Value Guide at the time of the **Mechanical Breakdown**, adjusted for the current **Vehicle** mileage, any physical damage, and factory installed optional equipment.

“**Covered Component**” under Copper Coverage means those components of **Your Vehicle** which are named in this Contract under the applicable coverage section contained in Section II. What This Contract Covers, according to the terms and conditions of this contract.

“**Road Hazard**” means any foreign object accidentally driven over on a public highway or road.

SECTION II. WHAT THIS CONTRACT COVERS

COVERAGE A. MECHANICAL BREAKDOWN REIMBURSEMENT

During the term of this Contract, **We** will reimburse **You**, or an authorized repair facility, the **Repair Cost** to repair or replace any **Covered Component** of **Your Vehicle** that has experienced a **Mechanical Breakdown**, less the applicable **Deductible**. **The Mechanical Breakdown must occur and be reported during the term of this Contract. Coverage for any Mechanical Breakdown under any Coverage is subject to the terms and conditions of this Contract, including the Application.** In addition, **You** are responsible for paying the **Deductible** for a repair or replacement of **Covered Components** for each repair visit, and **You** are responsible for paying the cost to repair or replace any non-covered items or service.

OUR CUMULATIVE MAXIMUM LIABILITY FOR ALL COVERAGES UNDER THIS CONTRACT IS LIMITED TO THE LESSER OF THE ACTUAL CASH VALUE OF YOUR VEHICLE, THE ACTUAL REPAIR COST, OR \$3,500.00. IN THE EVENT CUMULATIVE (AUTHORIZED OR PAID CLAIMS) REACH THE CUMULATIVE MAXIMUM LIABILITY, THIS CONTRACT WILL BE CONSIDERED NON-CANCELABLE AND NO FUTURE BENEFITS WILL BE AVAILABLE.

COPPER COVERAGE

Engine Covered Components: Cylinder block, Cylinder head(s), Turbocharger/Supercharger and their internal components; Timing gears; Timing/Balance shaft chain, guides, tensioners, sprockets and cover (excluding timing belt); Oil pan; Oil pump; Valve cover(s); Waste gate; Engine oil and filter only in conjunction with covered **Mechanical Breakdowns**.

Transmission/Transaxle Covered Components: Transmission and transaxle cases and their internal components; Torque converter; Vacuum modulator; Gear shift lever; Transmission shift linkage; Pan; Transmission fluid and filter only in conjunction with covered **Mechanical Breakdowns**.

Transfer Case Covered Components: Transfer case and its internal components; Transfer case fluid only in conjunction with covered **Mechanical Breakdowns**.

Drive Axle Covered Components: Final drive and axle housings and their internal components; Axles; Axle shafts; Propeller shafts; Constant velocity joints; Universal joints; Yokes; Drive axle fluid only in conjunction with covered **Mechanical Breakdowns**.

Engine Cooling Covered Components: Radiator fan motor; Water pump and pulley; Fan clutch; Fan shroud; Engine coolant only in conjunction with covered **Mechanical Breakdowns**.

Brake Covered Components: Master cylinder; Power brake assist boosters; Backing plate assembly; Brake pedal assembly; Parking brake pedal; Parking brake release mechanism; Brake fluid only in conjunction with covered **Mechanical Breakdowns**.

Charging System Covered Components: Alternator; Voltage regulator; Alternator pulley and mounting bracket.

Electrical Covered Components: Starter motor; Starter motor drive; Starter motor solenoid.

Factory Installed Air Conditioning Covered Components: Compressor; Accumulator/Drier only in conjunction with compressor replacement; Condenser; Evaporator; Compressor clutch and coil; Compressor pulley and mounting bracket; Expansion valve; Orifice tube; Blower motor; Refrigerant and oil only in conjunction with covered **Mechanical Breakdowns**.

Under Copper Coverage, seals and gaskets are covered only in conjunction with a covered repair.

Copper Coverage is limited to the above named components.

ANY PART NOT LISTED ABOVE IS NOT COVERED.

COVERAGE B. TOWING/ROAD SERVICE & LOST KEY/LOCK OUT

- In the event **Your Vehicle** becomes disabled or inoperable during the term of this Contract, TOWING/ROAD service is available.
- In the event the keys to **Your Vehicle** are lost, broken, or locked in **Your Vehicle** during the term of this Contract, Lost Key/Lockout service is available.
- **You** only pay for any amounts that may exceed the coverage limits, \$75.00 **per occurrence** for Towing/Road service and \$35.00 **per occurrence** for Lost Key/Lockout service.
- To report a claim involving a **Mechanical Breakdown**, or for coverage questions, please call the National Claims Service toll-free number 1-800-654-8455.
- To utilize the Towing/Road Service or Lost Key/Lock Out services call 1-888-749-6233 and provide **Your Vehicle's** Identification Number (VIN). A contractor will be dispatched to **You**, or, **You** may select **Your** own licensed contractor and submit **Your** paid receipts to **Us** for reimbursement, limited to the amounts covered by this Contract.

COVERAGE C. RENTAL VEHICLE REIMBURSEMENT

In the event a **Mechanical Breakdown** of a **Covered Component** requires that **Your Vehicle** be kept by a repair facility, **You** may wish to rent a substitute vehicle. The substitute vehicle must be rented from a licensed rental agency. Reimbursement

is valid only for actual and verifiable expenses incurred from the date of the covered Mechanical Breakdown until the date repairs are completed, and excludes any expense for mileage, gasoline, maintenance or insurance charges. Rental Vehicle Reimbursement will not exceed \$180.00 per repair visit for the entire period required to complete repairs, subject to the schedule below. If repairs are delayed due to parts unavailability, which is confirmed by Us, You may receive reimbursement for up to 4 additional days of Rental Vehicle Reimbursement per repair visit (limited to \$30 per day for a maximum of \$120), provided a separate additional authorization is obtained from Us. Rental Reimbursement is subject to the following schedule:

Authorized Repair Cost	Maximum Cost Reimbursement
\$0 to \$200	\$30.00
\$201 to \$500	\$60.00
\$501 to \$800	\$90.00
\$801 to \$1,200	\$120.00
\$1,201 to \$1,800	\$150.00
\$1,801 and over	\$180.00

COVERAGE D. TIRE PROTECTION REIMBURSEMENT*

Until the expiration of this Contract or a tread depth of 3/32 of an inch, whichever comes first, **We** will reimburse **You** for the repair or, if necessary, the replacement of any of **Your Vehicle's** tires (original equipment size only) that have become damaged or unsafe for use due to a **Road Hazard**.

- **In no event will Our liability for Tire Protection Reimbursement exceed \$125.00 per tire or \$500.00 during the term of this Contract.**
- Rental Vehicle and Emergency Trip Interruption Reimbursement coverage is not applicable to any claim **You** may have under the Tire Protection Reimbursement.

*This coverage is not available in Wyoming.

COVERAGE E. EMERGENCY TRIP INTERRUPTION REIMBURSEMENT

If a covered **Mechanical Breakdown** disables **Your Vehicle** overnight more than 100 miles from **Your** residence, **We** will reimburse **You** for the verifiable and receipted expenses **You** incur for food and accommodations for the first three consecutive days while **Your Vehicle** is being repaired.

- **Reimbursement will not be provided for the purchase of alcoholic beverages.**
- **Reimbursement is limited to a maximum of \$75.00 per day and will not exceed \$225.00 per occurrence.**

Note: No Deductible applies to Coverage B., C., D., or E.

COVERAGE F. CONSEQUENTIAL LOSS

If **You** selected and paid the additional charge for Consequential Loss coverage, **Your** Contract provides coverage for the repair or replacement of non-covered components which are damaged by the failure of a **Covered Component**.

Coverage under this Section supersedes any exclusion contained in this Contract to the contrary.

Consequential loss coverage shall not exceed a total aggregate payment of \$2,000.00 for the entire term of this Contract.

Consequential loss coverage shall not apply to the repair or replacement of any component damaged by the failure of a non-covered component or by any excluded causes of damage listed in this Contract.

SECTION III. WHAT IS NOT COVERED

NOT ALL COMPONENTS OF YOUR VEHICLE ARE COVERED BY THIS CONTRACT. THE COMPONENTS AND CONDITIONS LISTED BELOW ARE SPECIFICALLY NOT COVERED BY THE TERMS OF THIS CONTRACT:

1. REPAIR OR REPLACEMENT OF COMPONENTS THAT ARE RECOMMENDED OR REQUIRED SOLELY BY THE ENACTMENT OF ANY LOCAL, STATE, OR FEDERAL LAW, RULE OR REGULATION. NOR DOES THIS CONTRACT COVER ANY REPAIR OR REPLACEMENT OF COMPONENTS RECOMMENDED OR REQUIRED SOLELY BY A MANUFACTURER'S TECHNICAL BULLETIN OR MANUFACTURER UPDATE WHEN NO FAILURE HAS OCCURRED.
2. NON-MECHANICAL, NON-ELECTRICAL, NON-PNEUMATIC OR NON-HYDRAULIC COMPONENTS; AUDIO SPEAKERS; BATTERIES; WATER AND WIND/AIR LEAKS; BUMPERS; CABLES; CHASSIS; CLAMPS; FASTENERS (I.E., NUTS, BOLTS, STUDS, CLIPS, ETC.)^[1]; CONVERTIBLE TOPS AND THEIR MECHANISMS; EXHAUST/EGR SYSTEM; AIR PUMP AND CATALYTIC CONVERTER, PCV SYSTEM; FUEL VAPOR RECOVERY SYSTEM; GASOLINE FUEL INJECTORS; GLASS; HOSES; LINES AND FITTINGS; MIRRORS; MANUAL CLUTCH COMPONENTS; PASSENGER/DRIVER RESTRAINT

SYSTEMS; SEAT COMPONENTS; SECONDARY IGNITION COMPONENTS; SUSPENSION SPRINGS; TELEPHONES; TORSION BARS; WHEELS; INTERNET COMPUTER; TELEMATIC SERVICES AND DEVICES (I.E., ONSTAR); NAVIGATION SYSTEM; VIDEO COMPONENTS; HEADS-UP DISPLAY; NIGHT VISION SYSTEMS; TIRE PRESSURE MONITORING SYSTEMS; SEALS AND GASKETS^[2]; ANY COMPONENT NOT NAMED IN SECTION II WHAT THIS CONTRACT COVERS.

SUBSECTION 2 NOTES

[1] FASTENERS (I.E., NUTS, BOLTS, STUDS, CLIPS, ETC.) ARE COVERED IN CONJUNCTION WITH A COVERED REPAIR.

[2] SEALS AND GASKETS ARE COVERED ONLY IN CONJUNCTION WITH A COVERED REPAIR

3. NORMAL MAINTENANCE AND SERVICE ITEMS; ALIGNMENTS; ADJUSTMENTS; CALIBRATIONS; SOFTWARE UPDATES; CLEANING; NON-PUBLISHED DIAGNOSTIC LABOR; FILTERS/FLUIDS/LUBRICANTS/REFRIGERANTS^[1]; A/C ACCUMULATOR/DRIER^[2]; FUSES; LIGHTS/BULBS/LENSES ASSEMBLIES; WEAR ITEMS; ACCESSORY DRIVE BELTS; BRAKE PADS/SHOES/DRUMS/ROTORS; SHOCKS; STRUTS; TIMING BELTS; AND WIPER BLADES.

SUBSECTION 3 NOTES

[1] FILTERS/FLUIDS/LUBRICANTS/REFRIGERANTS ARE COVERED IN CONJUNCTION WITH A COVERED REPAIR.

[2] A/C ACCUMULATOR/DRIER ARE COVERED ONLY IN CONJUNCTION WITH COMPRESSOR REPLACEMENT.

4. ANY COMPONENT NOT SUPPLIED AS ORIGINAL EQUIPMENT BY THE VEHICLE MANUFACTURER.

5. ANY MECHANICAL BREAKDOWN OR DAMAGE:

A. CAUSED BY RUST, CORROSION, OXIDATION, CONTAMINATION, SLUDGE, OR RESTRICTED OIL PASSAGES;

B. CAUSED BY IMPROPER AMOUNTS OR IMPROPER TYPES OF LUBRICANTS, COOLANTS, REFRIGERANTS OR FILTERS;

C. IF PRIOR AUTHORIZATION IS NOT GIVEN BY US PRIOR TO REPAIRS BEING PERFORMED (SEE CONDITIONS OF COVERAGE);

D. RESULTING FROM MISUSE OF, ALTERATION OF, TAMPERING WITH, DISCONNECTION OF, MISCHIEF OR VANDALISM TO, THE VEHICLE OR ANY OF ITS COMPONENTS; OR DAMAGES RESULTING FROM COLLISION, ACCIDENTS, WATER, FIRE, FREEZING, ACTS OF GOD, OR THEFT;

E. IF MAINTENANCE RECORDS HAVE BEEN REQUESTED BY US BUT CANNOT BE PRODUCED OR VERIFIED;

F. THAT MAY REASONABLY BE ASSUMED TO HAVE EXISTED PRIOR TO THE EFFECTIVE DATE OF THIS CONTRACT, THAT OCCURS OR IS REPORTED AFTER THE EXPIRATION OF THIS CONTRACT, OR THAT OCCURS DURING THE VEHICLE MANUFACTURER'S WARRANTY PERIOD, A REPAIRER'S GUARANTEE, OR A PARTS WARRANTY;

G. IF YOUR VEHICLE'S ODOMETER IS INOPERATIVE, HAS EVER BEEN ALTERED OR TAMPERED WITH, OR THE ACTUAL ACCUMULATED MILEAGE CANNOT BE DETERMINED;

H. DUE TO CONTINUED OPERATION OF YOUR VEHICLE, OR FAILURE TO USE REASONABLE MEANS TO PROTECT YOUR VEHICLE FROM FURTHER DAMAGE, AFTER A FAILURE OCCURS (SEE CONDITIONS OF COVERAGE);

I. CAUSED BY ENGINE OVERHEATING OR LACK OF LUBRICATION DUE TO FAILURE OF A NON-COVERED COMPONENT.

6. WE WILL NOT COVER ANY OF THE FOLLOWING:

A. ANY RESULTING OR CONSEQUENTIAL DAMAGE TO A NON-COVERED COMPONENT, OR CAUSED BY, A NON-COVERED COMPONENT;

B. ANY CHARGES, COSTS, EXPENSE, INCONVENIENCE, LOSS OF TIME, LOSS OF INCOME OR ANY OTHER CONSEQUENTIAL LOSSES ARISING FROM A MECHANICAL BREAKDOWN NOT SPECIFICALLY COVERED BY THIS CONTRACT, OR ANY OTHER EXPENSES YOU INCUR NOT SPECIFICALLY COVERED BY THIS CONTRACT;

C. IF YOUR VEHICLE IS USED FOR, EQUIPPED FOR OR IDENTIFIED AS A: SNOW PLOW, RACING, EMERGENCY, DELIVERY VEHICLE, OR COMMERCIAL VEHICLE (LIMITED COMMERCIAL USE IS AVAILABLE ONLY IF THE PROPER SURCHARGE HAS BEEN PAID);

D. GRINDING OF VALVES OR OTHER COMPONENT REPAIRS TO IMPROVE COMPRESSION OR CORRECT OIL CONSUMPTION WHEN A DEFINED MECHANICAL BREAKDOWN HAS NOT OCCURRED;

E. IF ANY ALTERATIONS OR MODIFICATIONS HAVE BEEN MADE TO YOUR VEHICLE, OR YOU ARE USING OR HAVE USED YOUR VEHICLE IN A MANNER NOT RECOMMENDED BY THE MANUFACTURER (EXAMPLES INCLUDE, BUT ARE NOT LIMITED TO: ANY CUSTOM OR ADD-ON PART; ALL FRAME OR SUSPENSION MODIFICATIONS; LIFT KITS; OVERSIZED TIRES; HEAVY DUTY TRAILER HITCHES; EMISSIONS AND/OR EXHAUST SYSTEMS MODIFICATIONS; ENGINE MODIFICATIONS; ENGINE OVER-REVVING; IMPROPER SHIFTING).

F. ENGINE DAMAGE RESULTING FROM THE INGESTION OF WATER THROUGH THE AIR INTAKE SYSTEM (COMMONLY REFERRED TO AS WATER INGESTION)

IN THE SITUATIONS COVERED BY 5.E., 5.G., 6.C. AND 6.E ABOVE, OR IN THE EVENT YOUR VEHICLE IS REPOSSESSED, HAS EVER BEEN DECLARED A TOTAL LOSS, IS A SALVAGE OR REBUILT VEHICLE, WE MAY CANCEL THIS CONTRACT. ALSO, SEE THE PROVISIONS CONTAINED IN SECTION V. GENERAL PROVISIONS, SUBSECTION 7. CANCELLATION.

SECTION IV. CONDITIONS OF COVERAGE

You have specific duties that must be performed by **You** before **We** will be liable for payment of claims under the terms of this Contract. They include:

1. VEHICLE MAINTENANCE:

- A. **You** MUST follow the instructions contained within **Your Vehicle** owner's manual regarding proper operation and all maintenance services scheduled and/or recommended by **Your Vehicle's** manufacturer. **Your Vehicle** manufacturer's mileage recommendations will be considered the maximum allowable interval between service requirements.
- B. **You** MUST retain **Maintenance Records**, as defined herein. If **You** perform maintenance on the **Vehicle Yourself**, **You** must maintain a log showing the date, mileage and type of maintenance service performed. **You** must also keep receipts for the purchase of the products used to perform the maintenance service (e.g., lubricants and filters).
- C. In the event of a **Mechanical Breakdown**, **You** may be requested to provide all **Maintenance Records** proving that proper maintenance has been performed before a **Mechanical Breakdown** for certain components will be covered under this Contract, regardless of where or by whom maintenance is performed.
- D. **CAUTION: Failure to provide all requested Maintenance Records may cause denial of benefits under this Contract.** A Routine Maintenance and Repair Log is provided to assist **You** in recording the maintenance services performed on **Your Vehicle**, regardless of where and by whom the maintenance is performed.

*Refer to **Your Vehicle** manufacturer owner's manual for all recommended maintenance services. If **You** do not have a **Vehicle** owner's manual, **You** may either purchase one from a franchise dealer or **You** may contact **Us** and **We** will provide information to **You** regarding recommended maintenance service information, when it is available.*

2. WHAT TO DO WHEN A BREAKDOWN OCCURS: **You** are responsible for all expenses and **Repair Costs** if it is determined that the **Mechanical Breakdown** is not covered by the terms of this Contract. If **Your Vehicle** has a **Mechanical Breakdown**:

- A. **You** MUST use all reasonable means to protect **Your Vehicle** from further damage. Example: Activated warning lights, such as oil or temperature lights in the dashboard, indicate that **You** should stop operating **Your Vehicle** immediately. If **Your Vehicle** is disabled, or if it is unsafe to continue to drive **Your Vehicle**, **You** may wish to arrange for towing.
- B. **You** MUST contact **Us** immediately before the **Vehicle** is brought in for service, and the repair facility must contact us when a cause of failure and **Repair Cost** is determined during **Our** normal business hours. It is **Your** responsibility to authorize the repair facility to perform any diagnosis or teardown that is necessary to determine the cause of failure and **Repair Cost**. National Claims Service toll-free number is **1-800-654-8455**.
- C. **We** reserve the right to inspect your vehicle prior to issuing authorization to the repair facility. In the event of a dispute between **Us** and the repair facility, **We** reserve the right to move **Your** vehicle to a repair facility of our choice.
- D. **You** MUST NOT authorize repairs until **We** verify that the **Mechanical Breakdown** is covered by this Contract and **We** have issued an approval number. **Maintenance Records** may be requested from **You** before an approval number can be issued.
- E. If payment for an authorized claim is not made to an authorized repair facility, **We** will reimburse **You** directly. To receive reimbursement of **Your** authorized claim, please mail a copy of the paid receipt itemizing the charges **You** paid. The receipt must also include **Your** signature, the date of repair, the odometer reading, the **Prior Authorization** number, **Your** telephone number, Vehicle Identification Number, and the identity of the repairer. **You** are responsible for any expenses that are not covered by this Contract.
- F. **Documents requesting reimbursement for **Your** authorized claim must be received within 180 days of the date **We** provided the approval number. If the required documentation is not received within that time, **Your** claim will be denied.**

3. EMERGENCY REPAIRS: A **Mechanical Breakdown** may occur that is unexpected, and is of a serious and urgent nature which renders the **Vehicle** inoperable or unsafe to operate during a weekend or after **Our** normal business hours. In this case, if **You** are unable to reach **Us** to obtain **Prior Authorization** before repairs are fully completed, **You** may, at **Your** own discretion, wish to authorize the necessary emergency repairs. However, **if any portion of the repairs is being performed during **Our** normal business hours, **You** must have the repair facility contact **Us** as soon as our normal business hours commence and prior to the repairs being completed, or **Your** claim may be denied. **You** are responsible for all expenses and **Repair Costs** if it is determined that the **Mechanical Breakdown** does not qualify as an **Emergency Repair** as defined by this Contract.**

In the case of "Emergency Repairs", complete the Emergency Claim Reimbursement Form and mail it to Mercury Select

Management Company, Inc., (P.O. Box 728866, Oklahoma City, OK 73172-8866) within 30 days of the date of repair, and include all original paid receipts, **Maintenance Records**, **Your** Contract number, telephone number, and an explanation of the circumstances surrounding the failure. **Your** Emergency Repairs claim will be processed according to the terms and conditions of this Contract. **We** will contact **You** if additional information is needed. If **We** do not receive the required documentation within 30 days of the date of repair, **Your** claim may be denied.

In Utah failure to file any proof of loss required by this Contract within the time specified herein does not invalidate a claim made by You if You show that it was not reasonably possible to file the proof of loss within the prescribed time and that proof of loss was filed as soon as reasonably possible.

SECTION V. GENERAL PROVISIONS

1. This is a **Vehicle** Service Contract between **You** and **Us**. It is **NOT** an automobile liability or physical damage insurance policy, nor a warranty or guaranty. It does **NOT** comply with any financial responsibility law or cover consequential loss of any kind.
2. **Contract Period:** This Contract begins on the Application date and expires at 12:01 a.m. on the expiration date defined in the application, or when the number of miles defined as the expiration mileage in the Application appears on **Your Vehicle's** odometer, whichever occurs first.
3. **Territory:** This Contract applies to **Mechanical Breakdowns** occurring only within the United States of America and Canada.
4. **No Benefit to Bailee:** This Contract shall not, directly nor indirectly, benefit any carrier or bailee for hire.
5. **Your Assistance and Cooperation:** If **We** request **Your** assistance, **You** agree to cooperate with **Us** in investigating any claim under this Contract, in making settlements, and in enforcing any right of contribution or indemnity against any manufacturer or repairer that may be responsible to **You** for the **Repair Cost** of any **Mechanical Breakdown** covered by this Contract. Unless **We** expressly authorize **You** to do so, **You** agree that **You** will not assume any obligation or incur any expense in this regard, except at **Your** own expense. **We** may request **Your** assistance and cooperation on **Our** behalf.
6. **Transfer:** This Contract is solely for **Your** benefit; however, if **You** sell **Your Vehicle** to another individual, the remaining coverage under this Contract can be transferred one time to the new owner prior to the Contract expiration date, provided that:
 - A. All the original manufacturer's warranties are also transferred to the new owner;
 - B. **Your Vehicle** has not been sold or traded to or through an automobile dealer, auto broker, auto auction or financial institution.
 - C. **You** provide the new owner all Maintenance Records confirming that **Your Vehicle** has had all required maintenance and servicing. Both **You** and the new owner are responsible for ensuring that all Maintenance Records for **Your Vehicle** are available for review in case of a **Mechanical Breakdown**.
 - D. **You** complete the Transfer Request Form and mail it to **Us** within fifteen (15) days of a change of ownership, to the address listed below. Be sure to include:
 - i) a certified odometer statement for **Your Vehicle**, and
 - ii) a \$50.00 transfer fee. (A \$40.00 transfer fee is applicable to Arizona and Florida.)

Note: If the original Contract Holder becomes deceased during the term of this Contract, the Contract will automatically extend to: 1) the original Contract Holder's surviving spouse or heir, or, 2) the original Contract Holder's legal representative while acting within the scope of his/her duties as such.

7. **Cancellation:** **You** may cancel this Contract by mailing to **Us** within 30 days of the date **You** wish to cancel: 1) this Contract, 2) a signed cancellation request stating the date of cancellation, and 3) a certified odometer statement. If **You** cancel within sixty (60) days of purchase and no claims have been paid, **We** will refund the total charge **You** paid for this Contract and this Contract will be considered void. If **You** cancel within sixty (60) days of purchase and had a claim during that period, or **You** cancel after the expiration of sixty (60) days of purchase, **Your** refund will be prorated based upon the amount **You** paid for this Contract and the number of days or odometer miles this Contract has been in force, in relation to the time and mileage terms of this Contract, whichever refund amount is less. If **You** cancel this Contract after it has been in force for sixty (60) days, a \$35.00 cancellation fee will be withheld from any refund made.

We may cancel this Contract for any of the following reasons: 1) repossession or total loss of **Your Vehicle**; 2) **Your Vehicle's** odometer has been altered or is inoperable anytime during the term of this Contract; 3) **Your Vehicle** has been altered or modified as set out in Section III, paragraph 6.E. herein; 4) **Your Vehicle** is used as set out in Section III, paragraph 6.C. herein; 5) material misrepresentation or fraud by **You** at any time relating to this Contract; 6) nonpayment of fees; 7) **Commercial Use** of **Your Vehicle** (except as allowed in this Contract with payment of the **Commercial Use** surcharge); or, 8) if **You** fail to maintain **Your Vehicle** according to the manufacturer's recommendations. **We** will mail written notice to the address shown in the signed Application stating the reason for the cancellation, when the cancellation is effective and the amount of any refund due, at least fifteen (15) days prior to the cancellation date. The refund will be pro-rated based on the amount **You** paid for this Contract and

the number of days or odometer miles this Contract has been in force, in relation to the time and mileage terms of this Contract, whichever refund amount is less.

Cancellation – Alabama: The following provision amends the terms regarding cancellations in Alabama. A 10 percent (10%) penalty per month shall be added to a refund that is not paid or credited within forty-five (45) days after the return of the service contract to the provider. If **You** cancel this Contract after it has been in force for sixty (60) days, a \$25.00 cancellation fee will be withheld from any refund made.

Cancellation – Arizona: The following provision amends the terms regarding cancellations in Arizona. If **You** cancel this Contract after it has been in force for sixty (60) days, a \$25.00 cancellation fee will be withheld from any refund made.

Cancellation – Connecticut: The following provision amends the terms regarding cancellations in Connecticut. You have the right to cancel the contract if you return the covered vehicle or if the covered vehicle is sold, lost, stolen, or destroyed.

Cancellation – Florida: The following provision amends the terms regarding cancellations in Florida. If **You** cancel this Contract within sixty (60) days of the purchase date, **You** will receive a full refund of the retail fee paid, less any claims paid under this Contract. If **You** cancel this Contract after it has been in effect for sixty (60) days, **You** will receive a pro-rata refund of the fees **You** paid, based upon the number of days the Contract has been in force or odometer miles on the **Vehicle**, whichever is greater. If **You** cancel this Contract after it has been in force for sixty (60) days, a reasonable administration fee will be withheld from any refund made. In no event shall **Your** refund be less than 90 percent (90%) of the appropriate pro-rata refund. If **We** cancel this Contract within sixty (60) days after purchase date, **You** will receive a full refund of the retail fee paid, less any claims paid under this Contract. After this Contract has been in effect for (sixty) 60 days, **We** may only cancel for the following reasons: material misrepresentations or fraud by **You** at the time of the sale, **You** have failed to maintain the **Vehicle** as prescribed by the manufacturer, the **Vehicle's** odometer has been tampered with or disabled and **You** have failed to have it repaired, or non-payment of fees. If **We** cancel this Contract after it has been in force for sixty (60) days, **You** will receive a pro-rated refund of the fees **You** paid, based upon the number of days the Contract has been in force or the odometer miles on the **Vehicle**, whichever is greater.

Cancellation – Georgia: The following provision amends the terms regarding cancellations in Georgia. **We** will not charge a cancellation fee if this Contract is cancelled for any reason. **We** may only cancel this Contract for material misrepresentation or fraud by **You** at any time relating to this Contract and **Your** failure to pay the purchase price or any installment thereof. In the event **We** cancel this Contract for material misrepresentation or fraud by **You** **We** will mail **You** notice of cancellation at least 30 days prior to the cancellation date. In the event **We** cancel this Contract for failure to pay the purchase price or any installment thereof, **We** will mail **You** notice of cancellation at least 10 days prior to the cancellation date.

Cancellation – Hawaii: The following provision amends the terms regarding cancellations in Hawaii. If **We** cancel this Contract for any reason other than nonpayment of fees, material misrepresentation by **You**, or substantial breach of **Your** duties under this Contract related to the **Vehicle**, **We** will mail to **You** notice of cancellation at least five (5) days prior to cancellation. A ten percent (10%) penalty per month shall be added to any refund due **You** after cancellation of this Contract if it is not paid or credited to **You** within forty-five (45) days after **You** return this Contract to **Us**.

Cancellation – Illinois: The following provision amends the terms regarding cancellations in Illinois. If **You** cancel this Contract after the expiration of sixty (60) days of the purchase date, **We** will retain a cancellation fee not to exceed the lesser of ten percent (10%) of the Contract price or \$50.00.

Cancellation – Iowa: The following provision amends the terms regarding cancellations in Iowa. A ten percent (10%) penalty shall be added each month to a refund that is not paid to **You** within thirty (30) days of the return of the service contract to **Us**.

Cancellation – Louisiana: The following provision amends the terms regarding cancellations in Louisiana. **Your** Contract is cancelable and refundable upon request to Mercury Select Management Company, Inc. If **You** cancel this Contract within sixty (60) days of the purchase date, **You** will receive a full refund, less a \$35.00 cancellation fee and this Contract will be considered void. If **You** or **We** cancel after this Contract has been in force for sixty (60) days, **Your** refund will be pro-rated based on the Rule of 78s or a pro-rata calculation which provides a refund equal to or greater than the Rule of 78s. **Your** refund will be based on the amount paid by **You** for this Contract and the number of days this Contract has been in force, or odometer miles, in relation to the term of this Contract, whichever is less. **We** will retain a \$35.00 cancellation fee.

Cancellation – Nevada: The following provision amends the terms regarding cancellations in Nevada. **Your** right to cancel this Contract applies at any time. The \$35.00 cancellation fee will only apply in the event **You** cancel this Contract. Any applicable refund due **You** will be made within 45 days after the cancellation date. If **We** do not provide **You** any applicable refund within 45 days, **We** will pay **You** a penalty of 10 percent of the refund for each 30-day period in which the refund remains unpaid.

Cancellation – New Mexico: The following provision amends the terms regarding cancellations in New Mexico. After this Contract has been in effect for seventy (70) days, **We** may cancel only for the following reasons: failure by **You** to pay an amount when due; conviction of **You** of a crime that results in an increase in the service required under this Contract; discovery of fraud or material misrepresentation by **Us** in obtaining this Contract or in presenting a claim for service hereunder; discovery of either an act or omission by **You** or a violation by **You** of any condition of the service contract if it occurred after the effective date of this Contract and substantially and materially increases the service required under this Contract. No cancellation of this Contract shall become effective until at least fifteen (15) days after the notice of cancellation is mailed to **You**.

Cancellation – New York: The following provision amends the terms regarding cancellations in New York. A ten percent penalty

per month will be added to any refund that is not made to **You** within thirty (30) days of return of this Contract to **Us**.

Cancellation – North Carolina: The following provision amends the terms regarding cancellations in North Carolina. If this Contract is cancelled and a pro-rata refund is due, **We** will deduct from any pro-rata refund a reasonable administration fee not to exceed ten percent (10%) of the amount of the pro-rata refund.

Cancellation-Oklahoma: The following provision replaces the terms regarding cancellation in Oklahoma. If **You** cancel this contract within the first 60 days and no claim has been authorized or paid, you are entitled to a full refund. If you cancel the contract after (60) days, **or have made a claim within the first (60) days**, **We** shall retain ten percent (10%) of the unearned pro rata contract purchase price. If **We** cancel this Contract **You** will receive 100% of the unearned pro-rata purchase price.

Cancellation – South Carolina: The following provision amends the terms regarding cancellations in South Carolina. In the event **You** terminate this Contract within sixty (60) days of the purchase date and no claims have been paid, **We** will provide **You** with a refund of the full purchase price of this Contract. This right is not transferable and shall only apply to **You** if **You** are the original contract purchaser. A ten percent penalty per month shall be added to a refund that is not paid or credited within forty-five (45) days after return of the service contract to the provider.

Cancellation – Texas: The following provision amends the terms regarding cancellations in Texas. **We** are not required to provide **You** with prior notice of cancellation if the reason for cancellation is nonpayment of fees, or a breach of duties by **You** relating to the **Vehicle** or its use.

Cancellation – Utah: The following provision amends the terms regarding cancellations in Utah. **We** may cancel this Contract only for the following reasons: material misrepresentation by **You**; a substantial change in the risk assumed, unless **We** should have reasonably foreseen the change or contemplated the risk when entering into this Contract; substantial breaches of contractual duties, conditions or warranties by **You**; or nonpayment of the purchase price or any installment by **You**. If **We** cancel this Contract for any reason other than nonpayment of the purchase price or any installment by **You**, **We** will provide **You** with thirty (30) days written notice of cancellation. If **We** cancel this Contract for nonpayment of the purchase price or any installment by **You**, **We** will provide **You** with ten (10) days written notice of cancellation.

Cancellation – Wyoming: The following provision amends the terms regarding cancellations in Wyoming. If **You** cancel within sixty (60) days of the date **We** mail this Contract to **You**, **We** will refund the total charge made for this Contract, and this Contract will be considered void. If **You** cancel within the first sixty (60) days of the date **We** mail this Contract to **You**, and **You** have a claim within that time, the refund will be prorated.

8. We may **rescind** this contract, if at any time, it is discovered that the vehicle never qualified for the contract. In such case, the purchase price will be refunded less any claims paid

STATE SPECIFIC PROVISIONS

ARIZONA –

Wherever the terms of this Contract and the laws of the State of Arizona conflict, the laws of the State of Arizona shall control the terms of this Contract.

COLORADO –

Mercury Select Management Company, Inc. is insured to the extent of its obligations for **Mechanical Breakdown** reimbursement under this Vehicle **Mechanical Breakdown** Service Contract by a policy of insurance issued by American Mercury Insurance Company, P.O. Box 728866, Oklahoma City, Oklahoma, 73172-8866, Policy No. 0741001-CO. If for any reason **You** have not received payment or service on a claim, **You** should contact American Mercury Insurance Company P. O. Box 728866, Oklahoma City, Oklahoma, 73132 or 1-800-654-8455.

CONNECTICUT –

If the covered vehicle is in the custody of a licensed repair facility for covered repair(s) during the first 12-months of the agreement term, and the agreement expires by the expiration of time or mileage during the first 12-months of the agreement term, the agreement term will be extended by the number of days required to perform the repair(s) or extended by the number of miles driven by the repair facility(s) during the repair visit(s). The new agreement expiration will be the adjusted expiration date or adjusted expiration mileage whichever occurs first. Mercury Select Management Company, Inc., is insured to the extent of its obligations for Mechanical Breakdown reimbursement under the Vehicle Mechanical Breakdown Service Contract by a policy of insurance issued by: American Mercury Insurance Company, P.O. Box 728866, Oklahoma City, OK 73172-8866. If **WE** are unable to resolve any disputes with **YOU** regarding the warranty, **YOU** may file a written complaint with the State of Connecticut Insurance Department, PO Box 816, Hartford CT 06142-0816 ATTN: Consumer Affairs. The written complaint must contain a description of the dispute, the purchase price of the item subject to the extended warranty, the cost of repair to the item and a copy of the extended warranty contract.

FLORIDA –

A claim may not be made against the Florida Insurance Guaranty Association by virtue of **Your** purchase of this Contract.

GEORGIA –

The exclusion for **Mechanical Breakdowns** caused by sludge contained in Section III, Subsection 5A is not applicable in Georgia. The provisions of Section III, Subsection 5G apply only while the **Vehicle** is owned by **You**. The provisions of Section

III, Subsection 5F regarding **Mechanical Breakdowns** that exist prior to the effective date of this Contract only apply if they are known by **You**. The provisions of Section III, Subsection 6G only apply while the **Vehicle** is owned by **You**. The provisions of Section III, Subsection 7E only apply while the **Vehicle** is owned by **You**.

HAWAII –

The obligations of Mercury Select Management Company, Inc. under this service contract are backed by the full faith and credit of Mercury Select Management Company, Inc.

IDAHO –

Coverage afforded under this Service Contract is not guaranteed by the Idaho Insurance Guarantee Association.

ILLINOIS –

Mechanical Breakdown shall include **Normal Wear** to a **Covered Component**, excluding maintenance and service items. **Normal Wear** shall mean the premature deterioration of a **Covered Component** beyond the **Vehicle** manufacturer's acceptable tolerances which results in a **Mechanical Breakdown**.

IOWA –

This Contract is subject to all applicable provisions of the Iowa Consumer Credit Code, Chapter 537. The Motor Vehicle Service Contract Act is administered by the Commissioner of Insurance of the State of Iowa: Susan E. Voss, Commissioner of Insurance, State of Iowa, 330 East Maple Street, Des Moines, Iowa, 50319-0065.

NEVADA –

This Contract is not renewable.

NEW YORK –

OBLIGATIONS OF MERCURY SELECT MANAGEMENT COMPANY, INC. ARE BACKED BY THE FULL FAITH AND CREDIT OF MERCURY SELECT MANAGEMENT COMPANY, INC., P. O. Box 728866, Oklahoma City, Oklahoma, 73132-8866.

OKLAHOMA –

This service contract is not issued by the manufacturer or wholesale company marketing the product. This Contract will not be honored by such manufacturer or wholesale company. **ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY INSURER, AUTO WARRANTY COMPANY, OR SERVICE CONTRACT COMPANY, OR ANY OTHER PERSON, OR FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING FALSE, INCOMPLETE, OR MISLEADING INFORMATION IS GUILTY OF A FELONY. The State of Oklahoma Department of Insurance does not review or approve commercial service warranty language.**

SOUTH CAROLINA –

Obligations of Mercury Select Management Company, Inc. under this service contract are backed by the full faith and credit of Mercury Select Management Company, Inc. If **You** have any questions regarding **Your** service contract, **You** may contact the SC Department of Insurance, Post Office Box 100105, Columbia, SC 29202 or (803) 737-6180.

UTAH –

Failure to file any proof of loss required by this Contract within the time specified herein does not invalidate a claim made by **You** if **You** show that it was not reasonably possible to file the proof of loss within the prescribed time and that proof of loss was filed as soon as reasonably possible. Coverage AFFORDED UNDER THIS CONTRACT IS NOT GUARANTEED BY THE UTAH PROPERTY AND CASUALTY GUARANTY ASSOCIATION. This service contract or warranty is subject to limited regulation by the Utah Insurance Department. To file a complaint, contact the Utah Insurance Department.

WISCONSIN –

1. **THIS CONTRACT IS SUBJECT TO LIMITED REGULATION BY THE OFFICE OF THE COMMISSIONER OF INSURANCE.**
2. **We** may not deny a claim solely because **You** fail to obtain **Prior Authorization** of a claim. (See Sec. III. What Is Not Covered, paragraph 5.C.). However, if **You** do not obtain **Prior Authorization** of a claim, and **You** are unable to provide sufficient documentation for **Us** to determine if the **Mechanical Breakdown** is covered by this Contract, **Your** claim may be denied.
3. **We** may not deny a claim solely because **You** fail to remit the required documentation within the time set out in this Contract (See Sec. IV. Conditions of Coverage, What to Do When a Breakdown Occurs).
4. **We** may not deny a claim solely because **You** fail or are unable to provide Maintenance Records unless lack of maintenance will either increase the risk of **Mechanical Breakdown** or contribute to the **Mechanical Breakdown** for which a claim is presented.

ALL STATES –

Mercury Select Management Company, Inc. is insured to the extent of its obligations for **Mechanical Breakdown** under the Vehicle Mechanical Service Contract by a policy of insurance issued by American Mercury Insurance Company, P.O. Box 728866, Oklahoma City, Oklahoma 73172-8866, 1-800-654-8455. If for any reason **You** have not received payment or service on a claim within sixty (60) days of submission of proof of loss to the provider, or the provider fails to provide a refund, or otherwise does not fulfill its obligations under this Contract, **You** may make a claim directly with American Mercury Insurance Company at P.O. Box 728866, Oklahoma City, Oklahoma 73172-8866 or 1-800-654-8455.

Sample

NATIONAL CLAIMS SERVICE

1-800-654-8455



ISSUED BY:

MERCURY SELECT MANAGEMENT COMPANY, INC.

P.O. Box 728866

Oklahoma City, OK 73132-8866

For Towing/Road Service and Lost Key/Lockout Assistance, Call 1-888-749-6233

FL LIC. 60049