



Procedures

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Administrative Office:
Administrator ("We", "Us", or "Our")
P. O. Box 770
Deerfield, IL 60015-5610
Admin. Ph: (800) 323-5771
Claims Ph: (800) 848-5870
Emergency Road Service Ph: (800) 201-2411

I. Vehicle Eligibility Requirements

NOTE: IF THERE ARE ANY QUESTIONS AS TO VEHICLE ELIGIBILITY, PLEASE CALL PROTECTIVE PRIOR TO ISSUING A VSC AT (800) 323-5771) TO QUALIFY FOR A VEHICLE SERVICE CONTRACT, A VEHICLE MUST MEET ALL OF THE FOLLOWING ELIGIBILITY REQUIREMENTS ACCORDING TO CATEGORY:

A. All Vehicles

Note: Please see additional eligibility requirements under the individual New, Program / Pre-owned & High Mileage & Vehicle Wrap vehicle sections (B, C & D).

1. Vehicles for a given manufacturer will either be listed specifically or as "All Other". If the vehicle is either a special edition or limited production model, call 800-325-0906 for eligibility. A vehicle on the vehicle Class Code listing with an "N/A" or "N/E" entry under either new or pre-owned is not eligible.

New models of generally eligible vehicles are introduced from time to time and may not appear on the current vehicle Class Code listing. In such cases, you are instructed to call us for the proper new and/or pre-owned vehicle Class Code.

2. Any vehicle that is registered and being used as a commercial unit, or that is used for any of the purposes listed below (a-m), is not eligible. (Exception: Optional Business Use coverage is available for New automobiles and trucks less than a one-ton rating. See contract for complete eligibility details.
 - a. Rental; b. Dealer "loaners" or vehicles on short-term (12 months or less) lease, or Dealer Service Vehicles; c. Taxi, limousine, or shuttle; d. Delivery; e. Towing or road repair operations; f. Construction; g. Job site activities; h. Hauling; i. Police or Emergency Service; j. Principally off-road use; k. Racing or competitive driving; l. Snow removal. (See vehicle Service Contract for special Alaska State Requirements); or m. Route-work: service or repair.

*Business Use: Only applies to automobiles and trucks less than a one-ton rating.

Business use vehicles are passenger vehicles, light duty trucks, and vans that are used primarily for business travel, pick-up and delivery, route work, service or repair work, are driven by one person, or immediate family members only, and usage does not exceed manufacturer's ratings, and/or limitations. (Breakdown related to hauling or carrying of heavy machinery, materials or equipment is not included in this coverage.)

3. Only vehicles used for pleasure or driven back and forth to work, (subject to the restrictions listed in number 2 above) are eligible.
4. All trucks, vans, and utility vehicles are limited to a one-ton rating.
5. Vehicles that have been modified for high performance or with non-factory equipment are not eligible.
6. Vehicles that have been altered or modified in a fashion not recommended by the manufacturer (including but not limited to: removal of emissions control equipment, oversized tires, suspension kits, etc.) are not eligible.
7. Vehicles with odometers that are broken, or have been broken and/or the correct mileage cannot be determined and verified by the Administrator are not eligible.

8. Vehicles that are or have ever been a total loss, salvaged or rebuilt are not eligible.
9. Motor Homes, limited production, exotic, and "gray" market vehicles are not eligible.
10. All covered components must be functioning at the time of sale of the vehicle and/or Vehicle Service Contract.

B. NEW VEHICLE PLANS

To be eligible for a New Vehicle Plan, the vehicle must comply with all of the following conditions at the time the Contract is sold:

1. The vehicle coverage may only be issued on current and one prior model year vehicles (January 1 establishes a model year change). This vehicle must have 12,000 miles or under on the odometer and 12 months or less from the in-service date. The Vehicle Service Contract effective date will be the date that the vehicle was put into service. All vehicles with over 12,000 miles on the odometer or have an in-service date over 12 months, comes under the Program / Pre-owned / High Mileage Vehicle Underwriting Guidelines.
2. **The** Vehicle Service Contract expires when the mileage, listed on the declaration page, registers on the vehicle odometer, or when the time, in months or years listed on the declaration page, has lapsed, whichever occurs first.

C. PROGRAM / PRE-OWNED / HIGH MILEAGE VEHICLE PLANS

To be eligible for a Vehicle Service Contract, the vehicle must comply with all of the following conditions at the time the Vehicle Service Contract is sold:

1. **PROGRAM:** Available miles and maturities are based on the model year of the vehicle and the mileage on the odometer at the point-of-sale of the Vehicle Service Contract. Vehicles of up to a maximum of current + 4 previous model years (January 1 establishes a model year change) are eligible for this program. The mileage coverage is added to the current odometer reading at the point-of-sale of the Vehicle Service Contract. The vehicle is eligible for a Vehicle Service Contract, after delivery, providing the vehicle has not reached 34,000 miles on the odometer and is within current + 4 model years at the point-of-sale of the Vehicle Service Contract.
2. **PRE-OWNED / HIGH MILEAGE:** This vehicle coverage is available for eligible vehicles (see Class Codes) in the current + 9 previous model years (January 1 establishes a model year change). Vehicles six model years or older are only eligible for a Vehicle Service Contract at the time of delivery regardless of mileage. Vehicles with an odometer reading in excess of 34,000 miles are only eligible for a Vehicle Service Contract at the time of delivery regardless of model year.
3. This Vehicle Service Contract expires when the months or years listed on the Declaration Page, added to the Vehicle Service Contract Sale Date have elapsed, or when the mileage, listed on the Declaration Page, added to the odometer mileage on the covered vehicle has elapsed, whichever occurs first.
4. Vehicle Must Meet Mechanical Fitness Criteria Below:
 - a. **Engine:** Change oil and filter. Run engine to check for leaks, lifters ticking, rod & main bearing knocks, and road test to check differential/transmission-bearing howl, ring & pinion whine or other noise.
 - b. **Cooling Systems:** Pressure check cooling systems for leaks. Check water pump and fan clutch operation. Check electric fan motor(s) and thermostats operation.

- c. **Transmission:** Check transmission fluid; replace fluid and filter if burned; repair as needed. Check for leaks, shift operation, transfer case operation, and road test for abnormal noise or operation.
- d. **Drive-Line:** Check differential oil. Check differentials (front or rear) for leaks or looseness. Check driveshafts and U-joints for looseness. Check C.V. joints for grease and boot condition.
- e. **Electrical System:** Check operation of charging system, starter, wiper and window motors.
- f. **Suspension:** Check control arms, ball joints, and all suspension parts. Check struts for leakage and correct operation. Check wheel bearings for looseness and noise. Check chassis lubrication for vehicles where applicable.
- g. **Steering:** Check steering box and pump operation for leaks. Check rack and pinion boots and seals.
- h. **Air Conditioning Component:** Check compressor clutch operation. Check compressor operation for abnormal noises. Check systems for leaks and recharge if necessary.
- i. **Brake Systems:** Check calipers, brake lines, and master cylinder for leakage. Check booster assist operation.
- j. **Road Test Vehicle:** For correct COMPONENT operation and noises and perform all necessary repairs to ensure vehicle eligibility.

D. VEHICLE WRAP PLAN ELIGIBILITY

1. WRAP PLAN coverage available on vehicles that have an offsetting factory powertrain warranty in place that is fully transferrable "or" that has factory endorsed pre-owned certification program, which included a factory powertrain warranty. Written proof that the balance of the factory powertrain warranty is in force is required. Dealers can submit "Screen Shots" or factory print-outs of vehicle specific warranty information. This must be submitted with the registration page at time of remittance. Proof of factory endorsed Pre-owned certification may be required to determine eligibility. (Must Use Class Code Category New Only)

Use Vehicle Class Code Category " New" as follows
Vehicle Wrap Plan

2. WRAP coverage "Wraps" the factory powertrain with coverage for items other than engine , transmission, drive axles, turbo / turbochargers, seals and gaskets. In the Wrap Vehicle Service Contract, these items are either specifically excluded or not specifically listed as a covered part.
3. A "WRAP" Vehicle Service Contract can be written on an eligible vehicle for any term, providing that the term is no longer than the factory powertrain warranty. (ie. Toyota factory powertrain warranty = 5 years / 60,000 miles. WRAP coverage term could NOT exceed 5 years / 60,000 miles).
4. Optional surcharged coverage can be purchased in conjunction with WRAP Vehicle Service Contracts, see rate card Surcharges page for details.

5. WRAP Vehicle Service Contracts begin on the vehicle's original in-service date for time and mileage, and expires when the time or mileage has reached the term listed on the declaration page of the WRAP Vehicle Service Contract.

6. For Non-Certified Vehicles: Use Vehicle Plan box (New) on the Registration Page. For Certified Vehicles: Use Plan box (Pre-Owned) on the Registration Page.

CostGuard WRAP Contracts must be used with WRAP rates.

II. DEDUCTIBLES

Any Vehicle Service Contract plan, regardless of term, may carry a deductible. There are several deductible options available. Please see our Rate Chart for details and costs. The deductible noted on the Vehicle Service Contract Registration Page will be applied on a per repair visit basis, unless the disappearing deductible applies.

III. RATING

We have available an easy to access electronic internet based rating solution. You can access the electronic rate card by logging into F&I Cafe at www.ficafe.protective.com or www.protective.com/dealerservices. For technical assistance please contact the Customer Support Center at 800.670.6032. If you do not have internet access or are unable to utilize the Protective state-of-the-art electronic rating solution a paper version is available.

In the event you do not have on-line capabilities the paper version provides rates and Vehicle Class Listings for your convenience. The Vehicle Class Listing contains a list of all eligible vehicles and their rating symbols (class). Brief plan descriptions and rates (Net Cost) including deductible information, and applicable surcharges, appear on the Rate Chart. Vehicle classifications and rates are subject to change; so each New Rate Chart will replace the previous edition. All Charts will show the effective date.

A. Rates and Vehicle Class Summary Listings

There is a vehicle Rate Chart from which to select coverage, term and rate. The vehicle class code listing shows the vehicle classification to be used for both new and pre-owned vehicles. Match the vehicle class to the coverage, plan term and deductible, together with any surcharge, to obtain your cost. Surcharges are assessed for deductible options, diesel, Turbo/Supercharger, Business Use, Conversion package, Electronics package, and Mobility Equipment package. If a vehicle qualifies for more than one surcharged coverage, than each surcharge must be added to the net Dealer Cost. (Ex. Diesel +Turbo + Electronics = 3 surcharges).

B. Dealer Cost

All rates contained in the Rate Chart represent Dealer Cost. No dealer mark-up has been added. The retail rate you charge your customer is determined at your discretion. **Note: This does not apply to Florida dealers.**

C. Class Code Changes and New Model Entrants

If a vehicle is not specifically listed, or specifically excluded, the vehicle would fall under an "all other" class for that manufacturer. As new models are introduced, your administrator will make class assignments for these vehicles. Questions regarding class codes should be directed to Our Customer Support Center at 800-670-6032.

IV. ISSUING VEHICLE SERVICE CONTRACTS

A. Completing the Registration Page

Our Vehicle Service Contract is a four-part document. In order to process Vehicle Service Contracts and provide complete administrative services, it is mandatory to complete **ALL** information on the Registration Page (refer to sample on page 5). Please provide the net Dealer Cost in the Box marked **OFFICE USE ONLY** on the Registration page when remitting these Vehicle Service Contracts.

B. Distribution

As previously stated, the Vehicle Service Registration Page is a four-part NCR form. When completed, distribute as follows:

Original Copy.Mail to Administrator (Western Diversified Services, Inc. - See Section 1.)

Second Copy.Dealer Copy

Third CopyLienholder Copy

Last PageCustomer Copy

Upon receipt of the completed Registration Form a coverage booklet that contains coverage details and procedures will be mailed to the customer along with customized customer ID cards.

C. Administrator's Copies

Mail the Administrator's copies **weekly** with your remittance. **It is important that all Vehicle Service Contract sales are reported promptly, as no action will be taken on any claim until We have received copies of the fully-completed, paid Vehicle Service Contract. Timely remittance will help facilitate the customer fulfillment process, where by reducing the delivery time of customer materials.** (Refer to Section VII for payment details.)

D. Wrap Coverage

1. WRAP PLAN coverage available on vehicles that have an offsetting factory powertrain warranty in place that is fully transferrable "or" that has factory endorsed pre-owned certification program, which included a factory powertrain warranty. Written proof that the balance of the factory powertrain warranty is in force is required. Dealers can submit "Screen Shots" or factory print-outs of vehicle specific warranty information. This must be submitted with the registration page at time of remittance. Proof of factory endorsed Pre-owned certification may be required to determine eligibility. (Must Use Class Code Category New Only)
Use Vehicle Class Code Cateogry " New " as follows:
Vehicle Wrap Plan
2. WRAP coverage "Wraps" the factory powertrain with coverage for items other than engine , transmission, drive axles, turbo / turbochargers, seals and gaskets. In the Wrap Vehicle Service Contract, these items are either specifically excluded or not specifically listed as a covered part.
3. A "WRAP" Vehicle Service Contract can be written on an eligible vehicle for any term, providing that the term is no longer than the factory powertrain warranty. (ie. Toyota factory powertrain warranty = 5 years / 60,000 miles. WRAP coverage term could NOT exceed 5 years / 60,000 miles).
4. Optional surcharged coverage can be purchased in conjunction with WRAP Vehicle Service Contracts, see rate card Surcharges page for details.
5. WRAP Vehicle Service Contracts begin on the vehicle's original in-service date for time and mileage, and expires when the time or mileage has reached the term listed on the declaration page of the WRAP Vehicle Service Contract.
6. For Non-Certified Vehicles: Use Vehicle Plan box (New) on the Registration Page.
For Certified Vehicles: Use Plan box (Pre-Owned) on the Registration Page.

CostGuard WRAP Contracts must be used with WRAP rates.

Agreement Completion Guide

- 1 PURCHASER**
Name of purchaser
- 2 STREET ADDRESS**
Street address of purchaser
- 3 CITY, STATE, ZIP**
City, state and zip of purchaser
- 4 TELEPHONE**
Telephone number of purchaser
- 5 E-MAIL**
E-mail address of purchaser
- 6 DEALER**
Name of dealer
- 7 DEALER NUMBER**
Dealer account # issued by Protective Representative
- 8 DEALER ADDRESS, CITY, STATE, ZIP**
Address of dealer who sold the vehicle being covered
- 9 TELEPHONE**
Dealer's telephone number
- 10 YEAR, MAKE, MODEL**
Year, make and model of vehicle being covered
- 11 V.I.N. #**
Vehicle Identification Number to be covered

- 12 AGREEMENT EFFECTIVE DATE**
Date the agreement was sold to the customer
- 13 ODOMETER READING AT AGREEMENT EFFECTIVE DATE**
Mileage on odometer on the day the agreement was sold to the customer
- 14 AGREEMENT PRICE**
Retail amount this service agreement was sold for
- 15 STATE SALES TAX**
State sales tax where applicable
- 16 VEHICLE CLASS CODE**
Code found on the rate card for type of vehicle to be covered
- 17 OFFICE USE ONLY**
Remitted amount to administrator (Must be filled in for processing of agreement)

- 18 DEDUCTIBLE OPTION**
Must check which deductible sold to customer based on rate card used. (If not checked, \$200 option will apply.)
- 19 VEHICLE PLAN**
New, Pre-owned or Program identification on the vehicle to be covered.
- 20 VEHICLE PURCHASE PRICE**
Retail price paid for the vehicle
- 21 MANUFACTURER'S IN-SERVICE DATE**
The date the vehicle was originally put into service
- 22 MILEAGE AT IN-SERVICE DATE**
Mileage on the vehicle when originally put into service
- 23 AGREEMENT TERM**
Number of months and miles for the agreement in effect. (terms should be written as they appear on rate chart)

- 24 SURCHARGES**
Check the boxes that apply to the surcharged items added to the net dealer cost. (If check box is blank NO COVERAGE will apply)
- 25 COVERAGE PLAN**
Type of plan selected
- 26 LIENHOLDER**
Name of bank who has secured financing for vehicle (If no lien on vehicle use N/A)
- 27 ADDRESS, CITY, STATE, ZIP**
Address of Lienholder who has secured financing for vehicle
- 28 AGREEMENT SIGNATURE**
Signature of person who is purchasing the agreement
- 29 DEALER REPRESENTATIVE**
Signature of dealer employee who is selling the agreement



VEHICLE SERVICE CONTRACT REGISTRATION PAGE

CONTRACT NO.

PURCHASER INFORMATION:			
PURCHASER: (LAST, FIRST, MI) 1	DEALER 6	DEALER NUMBER 7	
STREET ADDRESS 2	ADDRESS 8	VEHICLE INFORMATION	
CITY, STATE, ZIP 3	CITY, STATE, ZIP 8	YEAR:	MAKE:
TELEPHONE 4	E-MAIL 5	TELEPHONE 9	MODEL: 10
			V.I.N. # (17 CHARACTERS) 11

VEHICLE SERVICE CONTRACT INFORMATION:					
CONTRACT EFFECTIVE DATE 12	ODOMETER READING AT CONTRACT EFFECTIVE DATE 13	CONTRACT PRICE 14	STATE SALES TAX (WHERE APPLICABLE) 15	VEHICLE CLASS CODE: 16	OFFICE USE ONLY 17
DEDUCTIBLE OPTION: 18 <input type="checkbox"/> \$50 DEDUCTIBLE <input type="checkbox"/> \$100 <input type="checkbox"/> \$200	VEHICLE PLAN: 19 <input type="checkbox"/> NEW <input type="checkbox"/> PROGRAM <input type="checkbox"/> PRE-OWNED	VEHICLE PURCHASE PRICE DATE 20	MANUFACTURER'S IN-SERVICE DATE 21	MILEAGE AT IN-SERVICE 22	
CONTRACT TERM: 23 _____ MONTHS _____ MILES			SURCHARGED COVERAGE: (CHECK ALL THAT APPLY) 24		
COVERAGE PLAN: 25 <input type="checkbox"/> COMPLETE <input type="checkbox"/> PLUS <input type="checkbox"/> BASIC <input type="checkbox"/> POWERTRAIN <input type="checkbox"/> COMPLETE WRAP <input type="checkbox"/> PLUS WRAP			<input type="checkbox"/> TURBO <input type="checkbox"/> CONVERSION PKG. <input type="checkbox"/> DIESEL <input type="checkbox"/> ELECTRONICS PKG. <input type="checkbox"/> BUSINESS USE <input type="checkbox"/> MOBILITY EQP. PKG.		
			LIENHOLDER 26		
			ADDRESS, CITY, STATE, ZIP 27		
Certification: I have read and understand the disclosures listed below.					
Vehicle Service Contract Holder Signature: 28			Date: _____ Dealer Representative: 29		

This completed Registration Page, together with Your Vehicle Service Contract Coverage Booklet, constitutes Your complete Contract. Please retain this Registration Page as evidence of purchase of this Contract.

Purchase of this Contract is not required to purchase, lease or obtain financing for the Vehicle.

The Deductible is one hundred dollars (\$100) per repair visit, unless the above declarations indicate another option has been purchased.

This is a Vehicle Service Contract, not a warranty and this Contract does not guarantee the utility or performance of the Vehicle. Some of the Coverage benefits received under this Contract may duplicate express or implied warranties that may accompany the purchase of the Vehicle.

Replacement will be made with a part that is of a like, kind, and quality (i.e., new, remanufactured or used parts) compatible with the original design specifications and wear tolerances of the Vehicle.

The Administrator is not a party to a guaranteed price refund offered or made by the Dealer who sold this Contract or by a third party in connection with this Contract. The Administrator is not obligated or liable for the payment of a guaranteed price refund unless the Administrator issues a guaranteed price refund in a separate document signed by the President of the Administrator.

If You cancel this Contract and do not receive a refund from the Dealer or the Administrator, please contact the Insurance Company.

SERVICE CONTRACT ADMINISTRATOR:
 Western Diversified Services, Inc. (California Provider License Number 0482124)
 In Florida (Certificate of Authority # 60071): The Advantage Warranty Corporation.
 In Oklahoma: Warranty Business Services Corporation.
 In Arizona, Louisiana and Wisconsin: Protective Administrative Services, Inc.
 PO Box 770, Deerfield, IL 60015-0770
 For Claim & Customer Service Call: 1-800-848-5870
 For Emergency Road Service Call: 1-800-201-2411

INSURANCE COMPANY INFORMATION
 Lyndon Property Insurance Company
 Contract Holder Services:
 14755 North Outer Forty Road, Suite 400
 St. Louis, Missouri 63017
 Toll Free number: 1-800-950-6060

VI. REPORTING VEHICLE SERVICE CONTRACT SALES

Since the program uses a coverage booklet and fulfillment process, it is important that all Vehicle Service Contract sales be reported weekly. **The instructions that follow should be made available to all personnel involved with processing Vehicle Service Contract sales.**

A. Pre-Numbered Vehicle Service Contracts

All Vehicle Service Contract Registration Pages are numbered, available only from Us. An accounting must be made for each Registration Page issued to the Dealership. All spoiled or voided Registration Pages must be marked as such and returned to Us. **Registration Pages must be used in sequential order.**

B. Reporting to Administrator

The white/original copy of the Vehicle Service Contract Registration Page is the Administrator's copy and must be forwarded to the Administrator. Vehicle Service Contract Registration Page should be sent to Us weekly and must be submitted with a transmittal form and payment for the amount due.

VII. REMITTANCES/STATEMENTS

The method we require for reporting and payment of Vehicle Service Contract sales is "Report and Remit" (R&R). This is the industry standard for reporting and for payment of Vehicle Service Contract sales.

A. New Business

Contracts can be submitted on-line electronically through Fast Track Admin. You can access Fast Track Admin by logging into F&I Cafe at www.ficafe.protective.com or www.protective.com/dealerservices. For technical assistance please contact the Customer Support Center at 800.670.6032. Otherwise, throughout the month you will submit Contracts, weekly, with a transmittal form and payment for the amount due. The transmittal form and your payment must accompany business submitted. The transmittal form can be obtained from your Sales Representative. Payment for Contracts is to be made in full upon submission of the Contracts business. **No claim payments will be advanced on behalf of any Contract unless the Contract has been paid in full.**

B. Cancellations/Adjustments

Cancellations and adjustment requests should be submitted weekly separate and apart from new business. **Do not** deduct cancellations or adjustments from your remittances for new business. We shall promptly process these requests and a credit will be issued should your statement for the period reflect a credit balance.

C. Monthly Statements

We have available an easy to access internet based statement of account activity reports. You can access these reports by logging into F&I Cafe at www.fandicafe.protective.com or www.protective.com/dealerservices and going to the RPM, Report Performance Management section of the website. For technical assistance please contact the Customer Support Center at 800.670.6032.

If you do not have internet access or are unable to utilize the online reporting tool a paper version is available at your request. The paper version will be mailed at the end of each monthly billing period. It will reflect your activity and balance due, if any, for the month.

Upon receipt of the Statement, please review the Statement information to make sure We have keyed in the correct information regarding new Vehicle Service Contracts, cancellations and adjustments. If there is an error, please inform us immediately in writing, so we can make the appropriate ADJUSTMENT to the Contract and credit or debit your account accordingly. In the event that there is a balance due on the Statement of Account

Activity, the balance must be paid within 30 days of the statement date. If such payment is not made within 30 days from the Statement date, the Contract(s) will be put into an overdue "0" status, and pending claims may not be paid.

Important Note: Any Vehicle Service Contracts that are returned for corrections (i.e. over mileage, incorrect form, etc.) must be rewritten or corrected and submitted within 15 days from the Statements on which the Contract was returned. **We reserve the right to refuse Contracts resubmitted after this time.**

It is your responsibility to notify the Contract Holder of any changes/corrections to their Vehicle Service Contract, or if the Contract is rewritten, to give the Contract Holder a copy of the new Contract.

VIII. TRANSFERS

A. Conditions of Transfer

The Vehicle Service Contract may be transferred as long as the vehicle title transfer passes from the original Vehicle Service Contract Holder to a subsequent owner (see B3 below) and only if all of the following conditions are met:

1. Coverage, time and mileage remain on the Vehicle Service Contract.
2. Transfer is made within fifteen (15) days of the change in ownership.
3. All maintenance records are up-to-date as described in Your Responsibilities section of the Vehicle Service Contract.
4. A completed Transfer Form and a copy of the Bill of Sale confirming the vehicle sale are submitted.
5. The vehicle is not transferred to or by an individual or entity in the business of selling automobiles.
6. The balance of ANY manufacturer's warranty **must** be transferred at the same time.

B. Important Provisions

1. All transfers require a \$50.00 Transfer Fee payable to Administrator identified on Report & Remit Form.
2. Upon receipt of the Transfer Form, applicable fee and maintenance records as described in the customer's Vehicle Service Contract, We will issue a Transfer Verification Letter to the new owner of the vehicle.
3. The Vehicle Service Contract can only be transferred once by the original owner. Subsequent owners may not transfer the Vehicle Service Contract.

IX. CANCELLATIONS

The rules pertaining to cancellation of a Vehicle Service Contract have generally been set by financial institutions advancing funds to finance the Vehicle Service Contract. The rules and conditions governing cancellation are set forth in the Vehicle Service Contract itself and below. The Dealer/Lessor is always responsible for the portion of the refund containing the Dealer/Lessor profit. **Note: Any refund due will be calculated less a \$35.00 cancellation fee, unless state laws provide otherwise.**

A. Vehicle Service Contract Holder Cancellation

The Vehicle Service Contract Holder may cancel the Vehicle Service Contract at any time by:

1. Returning to the Dealer/Lessor to complete and sign the cancellation forms; or
2. Mailing written notice to the Dealer/Lessor of the desire to cancel the Vehicle Service Contract. 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 within 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 the time of incident.)

B. Dealer/Lessor Cancellations

The Dealer/Lessor may cancel, or may be asked by Us to cancel the Vehicle Service Contract at any time if:

1. The vehicle is a total loss or is repossessed;
2. The odometer is disconnected or altered;
3. The vehicle is used in a manner not covered by the Vehicle Service Contract; or
4. The charge for the Vehicle Service Contract is not paid.

C. Lienholder Cancellation

If the customer is in default of the loan agreement, the Lienholder shown on the Registration Page of the Vehicle Service Contract may cancel the Vehicle Service Contract in accordance with the terms and procedures listed herein.

D. Administrative Cancellation

In the event a Vehicle Service Contract is sold on a vehicle that does not comply with the eligibility requirements outlined in the manual or the Vehicle Service Contract, We have the right to cancel the Vehicle Service Contract.

E. Basis of Cancellation

1. A cancellation initiated by the Dealer/Lessor or the Vehicle Service Contract Holder, within 60 days of issue, will be calculated as a flat cancellation, less the cancellation fee, unless there has been a claim and then item 2, of this section applies.
2. If the Vehicle Service Contract is cancelled after the first sixty (60) days or a claim has been filed, We will refund an amount of the Vehicle Service Contract charge according to the prorata method reflecting the greater of the days in force or the miles driven based on the terms of the Plan selected and the date Coverage began.

F. Payment

All refunds will be made directly to the Dealer/Lessor, the person authorized by the Dealer/Lessor, or, if the Vehicle Service Contract was financed along with the vehicle, the Lienholder shown on the Registration Page of the Vehicle Service Contract.

G. Calculation

Cancellation quotes are available online electronically under the AcceleRATER tool. You can access the cancellation quoting tool by logging into F&I Cafe at www.ficafe.protective.com or www.protective.com/dealerservices. For technical assistance please contact the Customer Support Center at 800.670.6032.

Follow these simple steps to obtain a cancellation quote on-line:

1. Click on "get instant cancellation quotes here" link which can be found under the AcceleRATER section
2. Search by customer name, Contract number, or VIN and select "Quote"
3. Enter quote requesters information
4. Select "Calculate Refund"
5. Select "Do Not Save" if you are not submitting the cancel document

Select "Save Quote" to open the official cancel document and cover sheet. Fax the cover sheet and the cancellation form to Protective to cancel the Contract. (FAX 800-574-5116)

You can also call a Customer Service Representatives to obtain a cancellation quote. Please be prepared to provide the following Contract information:

1. Contract Number
2. Contract Holder Name
3. Date of Cancellation
4. Mileage at the time of Cancellation
5. Reason for Cancellation

The total refund amount less the cancellation fee will be supplied to you by Our Customer Support Representative. (Our Customer Service Representatives will calculate cancellation refunds for the selling dealer only. **Do not** refer Contract Holders directly to Us for cancellation quotes.)

H. Reporting

Upon receipt of confirmation of the cancellation (original Vehicle Service Contract, letter from customer, letter from Dealer/Lessor, etc.), the refund will be confirmed and a credit will be made on your next Monthly Confirmation Statement.

**DO NOT CALCULATE ANY CANCELLATION
WITHOUT ASSISTANCE FROM CUSTOMER SUPPORT REPRESENTATIVE.
DO NOT DEDUCT CANCELLATIONS
FROM REMITTANCES FOR NEW VEHICLE SERVICE CONTRACT SALES.**

X. CONTINUATION OF COVERAGE

The Vehicle Contract may be extended past the expiration period as long as the customer notifies the dealer. The option must be exercised no less than thirty (30) days or 500 miles prior to the expiration of the Contract.

The Contract holder must meet the following requirements:

1. Provide records indicating the performance of regular manufacturer recommended maintenance;
2. The continuation can only be purchased from the selling dealer;

3. The vehicle must pass an authorized inspection, please call Us for the inspection form;
4. The vehicle must qualify for one of the coverage's available on the current rate chart, and
5. Must meet the current age and mileage requirements.

XI. CLAIMS (Refer to Section I, Page 1, for phone number and address.)

The Vehicle Service Contract program utilizes a claims reporting and payment system that is described in each Vehicle Service Contract. To process a claim, simply refer to the Vehicle Service Contract to find complete instructions for the customer and for the Service Manager. The aspects of the Claims System that apply to a Dealership are outlined in this section of the Procedure Manual.

All claims **MUST** be called in to Us prior to the commencement of any repair of the vehicle. The maximum that will be paid for any claim will be the amount approved by Us. No action can be taken on any claim until We have received a copy of the completed Vehicle Service Contract, paid in full.

In the case where a claim occurs prior to the receipt of any Vehicle Service Contract and payment, We will initiate a claim upon receipt of a faxed copy of the applicable Vehicle Service Contract. The claim will be adjusted normally and, if covered, authorized. However, the claim cannot be paid until the original Vehicle Service Contract is accepted and payment is received. If the claim occurs at a third party repair facility, the Vehicle Service Contract holder will be set up as the payee unless the selling dealer guarantees payment to the repair facility.

A. Coverage Verification

At the time a Vehicle Service Contract Holder comes to your Dealership to report a mechanical problem that may be covered under the terms of the Vehicle Service Contract, follow these procedures:

1. Secure a copy of the Vehicle Service Contract and note the Contract number (located at the top, right-hand side of the Contract Registration Page), or the Vehicle Service Contract Holder's complete Name and Address, VIN Number and the Name of the Selling Dealer/Lessor;
2. Verify time and mileage limits to ensure that the Vehicle Service Contract is still in force, and that the vehicle in for repairs is the one covered by the Vehicle Service Contract. If the Vehicle Service Contract has expired, please advise the Vehicle Service Contract Holder accordingly;
3. If requested by the Administrator, confirm that the required maintenance has been performed by reviewing the maintenance records or receipts provided by the Vehicle Service Contract Holder; and
4. Advise the Vehicle Service Contract Holder that your collection of the above data and evaluation of the cause of mechanical failure does not necessarily mean the claim will be paid/covered by the Vehicle Service Contract. Such determinations are made by Our qualified, trained Claims Adjusters.

B. Reporting

Upon verifying that the Vehicle Service Contract is in effect and the failed component is covered:

1. Assess the cause, the cure and the cost, including all applicable part numbers.
2. Call Us to initiate a new claim. **Please use the appropriate telephone numbers as indicated in Section I.**

3. Report the Contract Number, complete Name and Address of the Vehicle Service contract holder, and Name of selling dealership. **PLUS the cause, cure and cost of the repair.** The authorization amount is the maximum We will pay on the claim when submitted; any changes in repair amounts must receive additional authorization. If the authorized amount should exceed the actual repair cost, the lesser of the two will be paid.

Our Claims Adjuster will verify coverage and either:

- a. Authorize the claim, issuing an Authorization Number (which must be entered on all copies of the Repair Order); or
- b. Request further evaluation, tear-down (see Note below) or outside inspection; or
- c. Deny the claim.

Teardown Policy - We may request that a component be torn down before issuing an Authorization Number. The Vehicle Service Contract Holder must be advised that, if after the component is disassembled, it is determined that the cause of failure is not covered, the Vehicle Service Contract Holder must pay the expense of the teardown.

Parts: If Dealer supplied parts exceed the reasonable cost or exceed the like, kind and quality provision shown in Section C of the Vehicle Service Contract, and the Vehicle Service Contract Holder chooses not to pay the difference of cost, then We reserve the right to assist the Dealer in supplying the covered part(s) to complete the repair.

4. The Authorization Amount is the maximum We will pay on the claim; any changes in repair amounts must receive additional authorization.

C. Vehicle Inspection

We reserve the right to inspect any vehicle at the time of breakdown. Any repairs that are completed without allowing Us an opportunity to inspect will not be covered.

Should We request an outside inspection:

1. Immediately stop any repairs being performed. (Do not complete the repairs.) Should further teardown be necessary, discuss with Our Adjuster, and obtain authorization from the customer to perform enough teardown to verify all failed parts.
2. Save all components that need to be reviewed, including fluids and filters. If items are to be machined, they must be available for inspection prior to sending to machine shop.
3. We will make arrangements for the inspection.
4. If the Inspector does not visit within 48 hours, call Our Inspections Coordinator.
5. Upon completion of the inspection, Our Claims Adjuster will issue a final disposition.

D. Submitting the Claim

For claims given an Authorization Number with a repair cost agreed upon between you and the Administrator:

1. Write the Authorization Number, Vehicle Service Contract Number and Authorized Amount on a legible copy of the Repair Order signed by the Vehicle Service Contract Holder. Payment cannot be processed if the Authorization Number and Contract Number are not reported and/or the Repair Order cannot be read;
2. Attach copies of all applicable bills to your Repair Order; Include receipts for Sublet Bills, Car Rental and/or Towing;
3. Send a copy of any Maintenance receipts, if requested;

4. Collect the applicable Deductible (if any), per repair visit, shown on the Registration Page from the Vehicle Service Contract Holder; and
5. Submit all of the above materials within 30 days of date of authorization. Make sure the amount submitted doesn't include any non-covered items.

E. Optional Claims Reporting Procedures

If your Dealership is equipped with a fax machine, you may submit claim information via the fax. Your Authorized Representative can supply you with the necessary documents and instructions.

F. Claim Payment

We will submit payment upon receipt of your repair order, sublet bills (if any) and any other required documentation. Upon receipt of these items, claim payment will be made as follows:

1. Your approved full labor rate as allowed on the repair in an approved national labor source repair manual such as (Chilton, Mitchell, Motors or Factory, etc.), and manufacturer's suggested retail cost for parts (except as noted in section C.) will be paid;
2. Sublet work including sublet work of the entire vehicle for a covered repair may be reimbursed at actual cost plus 25% with a maximum payment of \$200.00. a copy of the sublet bill must be submitted with the claim. Sublet markup does not apply to rental or towing charges.
3. Car Rental will be paid at the rate of one day's rental (in accordance with the amount shown in the Vehicle Service Contract) for each 8 hours, or portion thereof, of shop time required to complete the repairs. Shop time is the time listed in one of the aforementioned national repair manuals used by the Dealer. **(A separate Rental Agreement from a licensed rental facility, signed by the Vehicle Service Contract Holder, must be submitted.)**
4. Towing charges, if any, will be paid in accordance with the amount shown in the Vehicle Service Contract, per occurrence. (A separate towing invoice must be submitted for the sublet towing.)

G. Method of Payment

We will mail the claim payment check directly to the Dealership or Repair Facility. In the event that repairs are made away from the Selling Dealership by a facility that will not accept reimbursement by mail from Us, payment will be made by a national MasterCard, Visa or American Express account, upon receipt of the Repair Order by the Administrator.

H. Dispute Resolution

National Arbitration Foundation (NAF) will be the arbitrator of any claims that are not settled through normal procedures. The dispute resolution will be conducted in accordance with the arbitration rules of N.A.F. See Vehicle Service Contract for complete details.