

MECHANICAL BREAKDOWN INSURANCE POLICY TERMS AND CONDITIONS

1A. INSURED POLICY STATEMENT: Obligation under this Policy are fully insured and guaranteed by:

QBE Insurance Corporation

One QBE Way

Sun Prairie, Wisconsin 53596

California Department of Insurance ID#: 4629-2

1B. ADMINISTRATION: All obligations under this Policy are administered by:

(Claims)

QBE Administration Services, Inc.

P.O. Box 372790

Denver, CO 80237-9714

Toll-Free Number: 800-773-9980

(Cancels/Transfers)

Olive

308 South Jefferson Street, Suite 309

Chicago, IL 60661

Toll-Free Number: 866-822-1506

2. ENTIRE POLICY: The **Policy Terms and Conditions** which includes the Declaration Page is the complete and exclusive statement of the **Policy** and is the understanding between **You** and **Us** regarding the **Policy** and related benefits for **Your Vehicle**.

3. DEFINITIONS: In this **Policy**, the following capitalized terms have the meanings assigned to them:

Administrator means QBE Administration Service, Inc. **You** may contact the Administrator's office at any time to have coverage questions answered or receive assistance in filing a claim under this **Policy** at 1-800-773-9980.

Any personal data provided to the **Administrator** will be processed in compliance with all applicable laws and regulations, and in accordance with the privacy notice which can be viewed at: <https://www.qbe.com/us/legal/privacy-policies>.

Approved Vehicle means the vehicle identified by the VIN in the Declarations Page

Coverage means the Coverage **You** selected for the Approved Vehicle as fully described under Section 5. **COVERAGES.**

Covered Part: if you purchased the **Olive Powertrain Coverage** or the **Olive Powertrain Plus Coverage**, Covered Parts are the parts installed at the time of the manufacturing of the **Approved Vehicle** that are specifically listed after each component group heading of the **Coverage** plan purchased. Any part not listed on the **Coverage** **You** purchased is not covered, regardless of the cause for its failure. If you purchased the **Olive Complete Care Coverage**, all mechanical and electrical operating parts installed at the time of the manufacturing of the **Approved Vehicle** are covered, except for those parts and services found

in Section 8. **EXCLUSIONS** of this **Policy**. Repairs needed to a non-covered part caused by the **Mechanical Breakdown** of a Covered Part will also be covered under the **Olive Complete Care Coverage**.

Deductible: means the amount shown in **SECTION B-COVERAGE TYPE** on the Declaration Page for which **You** are responsible to pay each time **You** go to a repair facility in the event of a claim being covered by this **Policy**. This does not include any non-covered repairs or expenses which **You** will be responsible for.

Effective Date means the date for which **Your Policy** will become effective for the selected **Coverage**.

Emergency Repair means a necessary repair to **Your Approved Vehicle** at a state licensed repair facility when the Administrator's offices are closed.

Expiration Date means the date shown on the Declarations Page that will cause this **Policy** to expire, even if the **Expiration Mileage** has not been reached.

Expiration Mileage means the maximum total mileage indicated on the **Vehicle's** odometer that will cause this **Policy** to automatically expire, even if the **Expiration Date** has not been reached.

Mechanical Breakdown means the failure of a **Covered Part** to perform its intended function due to defects in materials or faulty workmanship in its manufacturing. This does not include the normal reduction in operating performance of a **Covered Part** due to normal wear and tear, including parts in which wear tolerances that are outside the manufacturer's specifications are exceeded that are not due to defect in material or faulty workmanship in the manufacturing of a **Covered Part**. (Please refer to Section 8. **EXCLUSIONS** for other exclusion that may apply). Leaks of a **Covered Part** will only be considered a Mechanical Breakdown if it is an active leak to a drip. Seepage and/or buildup is considered normal and will not be covered.

Policy means this complete Mechanical Breakdown Insurance Policy, which includes the Declaration Page, that shows a specific duration to perform the repair, replacement, or maintenance for operational or structural failure due to a defect in materials or workmanship of **Covered Parts**.

Premium means the purchase price **You** paid for this **Policy**.

Retail Value of the Vehicle means the retail value of the Vehicle at the time of repair or service, as determined by NADA (<https://www.nadaguides.com/Cars>) taking into consideration the location, mileage and condition of the **Approved Vehicle**.

Vehicle means the vehicle identified in the **Policy** by the **VIN**.

Vehicle Identification Number (VIN) means the 17 alpha-numeric identifier assigned to a motor vehicle by

the manufacturer.

We, Us, and Our means QBE Insurance Corporation, located at One QBE Way, Sun Prairie, Wisconsin 53596, 1-800-773-9980.

You and Your means the purchaser of this **Policy**.

4. HOW TO MAKE A CLAIM

- a) If the **Vehicle** is inoperable, and to prevent any further damage, immediately stop the **Vehicle** and call for towing or roadside assistance. It is **Your** responsibility to use all reasonable means and precautions to protect the **Vehicle** from further damage. Continued operation of the **Vehicle** after any Mechanical Breakdown shall constitute failure to protect the **Vehicle**. Any damage from failure to protect the **Vehicle** shall not be recoverable.
- b) Prior to starting repairs, the repair facility must contact the **Administrator's** claims office at 1-800-773-9980 with diagnosis and estimate of repairs. If **You** experience an **Emergency Repair** when a covered **Mechanical Breakdown** occurs when the **Administrator's** office is closed, **You** must have the repair facility contact the **Administrator** during the next business day. Failure to contact the **Administrator** and report the claim on the next business day may result in nonpayment (see Section 8. **EXCLUSIONS**).
- c) **You** must authorize **Your** chosen state licensed repair facility to inspect and diagnose the **Mechanical Breakdown**, as necessary, to determine the cause of failure and the cost of parts and labor to repair. IMPORTANT: **You** must call the **Administrator** prior to any engine or transmission disassembly. **You** are responsible for the cost of disassembly in the event the **Mechanical Breakdown** is NOT payable under this **Policy** (see Section 8. **EXCLUSIONS**).
- d) If requested, permit inspection of the **Vehicle** by the **Administrator** BEFORE repairs are performed.
- e) Upon request, provide proof of maintenance (see Section 7. **YOUR RESPONSIBILITIES**).
- f) **You** must pay the **Deductible** and any other non-covered expenses as applicable.
- g) Payment for covered **Mechanical Breakdowns** will be made to either the repair facility or **You** in accordance with the **Policy** provisions within thirty (30) days after receipt of the repair order. Repair orders must be received by the **Administrator** within ninety (90) days of completion of repairs and the repair order must be signed by **You**. Failure to sign repair order may cause delays in processing **Your** claim.

Claims mailed in without prior authorization from the Administrator will be denied.

5. COVERAGES

Olive Powertrain Coverage

If **You** elected the **Olive Powertrain Coverage**, the following parts listed after each component group heading are covered:

Engine: Engine block; cylinder head; rotor housing (rotary engine); oil pan; valve cover; timing cover; all internally lubricated parts contained within the engine block, cylinder head, or rotor housing; oil pump; timing chain, timing chain gears and timing chain tensioners; timing belt and timing belt tensioner; balance belt; variable valve camshaft actuator (not the variable valve solenoid); intake and exhaust manifolds (If the catalytic converter is permanently attached to the exhaust manifold, the exhaust manifold will not be covered if the mechanical breakdown is the catalytic converter.); harmonic balancer; engine mounts; water pump; flywheel or flexplate.

Transmission, transaxle and transfer case: Case housings, housing covers and pans; all internally lubricated parts contained within the housings; torque converter; viscous couplings; vacuum modulator; transmission mounts; transfer case shift/encoder motor; transmission/transaxle range position sensor/switch.

Drive axle (includes FWD, 4WD and AWD vehicles): Front and rear drive axle housings and covers; all internally lubricated parts contained within the drive axle housings; axle shafts; constant velocity joints and boots; driveshafts; universal joints; flex discs; driveshaft center support bearing; driveshaft yokes; 4WD engagement actuators and motors; 4WD manual locking hubs.

Air and Fuel System: Fuel pumps; supercharger/turbocharger housing and all internal parts of the housings (does not include wastegates or other attaching parts).

Seals and Gaskets: Seals and Gaskets are covered for only the listed parts in this section.

Olive Powertrain Plus Coverage

If **You** elected the **Olive Powertrain Plus Coverage**, your **Coverage** includes **Olive Powertrain Coverage** and the additional parts listed after each component group heading are covered for **Olive Powertrain Plus Coverage**:

Odometer & Speedometer: Odometer and speedometer and their cables and connectors.

Steering: Steering gear assembly; rack and pinion housing all internally lubricated parts contained within the housing; power steering pump and it's reservoir; seals and gaskets for the steering gear assembly and the rack and pinion housing; power steering pump pulley; steering column shafts, their couplings and bearings; tie rod ends; pitman arm, idler arm, and all other steering linkages; power steering metal lines.

Front Suspension: MacPherson struts; upper and lower control arms; control arm shafts and bushings; upper and lower ball joints; Front wheel hub and bearing; steering knuckles and spindles; stabilizer bar, stabilizer bar bushings and links; coil springs; torsion bars.

Brakes: Master cylinder, vacuum or hydro booster; calipers; wheel cylinders; equalizer and distributing valves, proportioning valve.

Interior Climate Control: A/C Compressor, compressor clutch and it's pulley; accumulator; receiver dryer; evaporator; condenser; serpentine belt tensioner and idler pulley; expansion valve; orifice tube; A/C pressure switches, blower motor and blower motor resistor.

Electrical: Alternator; voltage regulator; starter motor; starter solenoid; manually operated electrical switches; ignition switch; wiper motors; electronic ignition control module; radiator fan relay; wiring harnesses; and electrical components of a heated back glass defroster. NOTE: Heated back glass coverage is for electrical components only and does not include general glass or other physical damage.

Seals and Gaskets: Seals and Gaskets are covered for only the listed In parts in this section

Olive Complete Care Coverage

If **You** elected the **Olive Complete Care Coverage**, all mechanical and electrical operating parts installed at the time of the manufacturing of the **Vehicle** are covered, except for those parts and services found in Section 8. **EXCLUSIONS** section of this **Policy**. Repairs needed to a non-covered part caused by the Mechanical Breakdown of a **Covered Part** will also be covered under the **Olive Complete Care Coverage**.

6. ADDITIONAL BENEFITS

Towing Reimbursement:

If towing is necessary because a covered **Mechanical Breakdown** occurs or services provided by **Your Coverage** are required, **We** will reimburse **You** for towing costs up to \$100 per covered claim occurrence.

Car Rental:

If **Your Approved Vehicle** becomes inoperative due to a **Mechanical Breakdown** that is covered by this **Policy** or any repair being covered under a manufacturer's warranty, **We** will pay for Car Rental reimbursement up to \$35 per day, not to exceed 5 days for a total of \$175 for any one (1) period. Car Rental will be based on the number of labor hours approved for the **Mechanical Breakdown** repair. Each eight (8) hours or portion thereof of approved labor counts as one (1) day Car Rental. In the event the **Approved Vehicle** needs to be inspected by **Us**, **We** will pay up to an additional two (2) days Car Rental. Car Rental is not provided for delays because of shop scheduling or for work not covered by this **Policy**. Car Rental will be reimbursed only upon receipt of an invoice from a licensed car rental agency.

7. YOUR RESPONSIBILITIES

To obtain coverage or reimbursement under this **Policy**, **You** must: (i) properly operate the **Vehicle** and (ii) provide proof of scheduled maintenance services. Proof of scheduled maintenance services includes maintenance records that show mileage, date of maintenance service, VIN and the maintenance that was performed.

Scheduled maintenance service requires periodic service checks based on mileage and/or time intervals based on the year, make and model of **Your Vehicle**. Please review the Owner's Guide for **Your Vehicle** for the scheduled maintenance service requirements. If **You** perform **Your** own scheduled maintenance services, **You** must maintain a log including date, mileage and description of each maintenance service and provide corresponding receipts for purchases of parts and fluids. **Covered Parts** that require replacement at certain time and/or mileage intervals are not covered due to scheduled maintenance service requirements. In the event a **Covered Part** was not replaced at its prescribed replacement interval it will not be covered in the event a **Mechanical Breakdown** occurs, nor will any consequential damage caused by the failure of that **Covered Part**.

8. EXCLUSIONS

- a. Any claim submitted without the authorization of the **Administrator** prior to starting any repairs. (see How to Make a Claim)
- b. Any **Mechanical Breakdown** or damage resulting from continued operation, such as not stopping **Your Vehicle** immediately or having it towed or caused by **Your** failure to take reasonable precautions to prevent further damage when an apparent problem exists (see section 4. **HOW TO MAKE A CLAIM**).
- c. The repair or replacement of any **Covered Part** if a **Mechanical Breakdown** has not occurred.
- d. Any costs incurred for diagnostics or disassembly work if a **Mechanical Breakdown** is not covered by this **Policy** (see 12. **PAYMENT OF COVERED REPAIRS**).
- e. Any preexisting conditions (a condition that already existed on the **Approved Vehicle** when **You** purchased **Your Policy**) or any **Mechanical Breakdown** occurring prior to the **Effective Date** of the **Policy**, whether it be known or unknown.
- f. Any repair or replacement of a **Covered Part** that has failed due to normal wear and tear and not due to a defect in material or faulty workmanship in the manufacturing of a **Covered Part**.
- g. Repair or replacement of an engine due to oil consumption, loss of compression or misfires (which may cause a check engine light), if the only problem is due to normal wear and tear such as worn piston and/or piston rings, lining up of piston rings, worn engine block, worn valves, worn valve guides or valve guide seals, or carbon/sludge build up on these parts.
- h. Any environmental surcharges, waste disposal fees, shop supplies, and other similar miscellaneous charges.
- i. For **Olive Powertrain Coverage** and **Olive Powertrain Plus Coverage**: Any part that is not listed for coverage is not covered.

- j. Any non-covered parts or services, including but not limited to, the performance of normal maintenance services as set forth in the owner's guide for the **Approved Vehicle**, scheduled replacement of parts and wear items, and parts and services such as: adjustments of any type unless required with a repair

being covered by this **Policy**; all rubber, plastic and metal lines, hoses and tubes; fittings and connectors for lines, hoses and tubes; spark plugs; tune-ups; fan, engine, and serpentine belts; all filters; oil drain plug and oil filter housing caps and covers; glow plugs; engine block plugs (also called Welch or freeze plugs); adjustments to carburetors or fuel injection systems; complete exhaust systems including catalytic converters and particulate filters; brake rotors; brake drums; brake shoes; brake pads; brake springs and other brake mounting hardware; all batteries; external charging stations or systems; battery cables and connectors; fuses and circuit breakers; clutch slave and master cylinder; clutch disc, pressure plate, throw-out (release) bearing, dry clutch assemblies for automatically shifted manual transmissions, and pilot bearings; body and frame mounts; wheel alignments; wheel balance; tires, wheels and rims; flushing or cleaning of any system; wiper blades and arms; clamps; attaching hardware; grommets; glass; mirror glass; body parts; body and glass seals; paint/trim; soft trim; moldings; bright metal and chrome; door and window weather stripping; upholstery; fabric; convertible top frames and upholstery; electronic device software; digital video and compact audio discs; all HID, LED, halogen bulbs and standard incandescent bulbs; headlight, taillight, turn light and all other all other lighting assemblies; freight and core charges; any part that was not originally installed by the manufacturer; oil, coolant, additives, and refrigerants or other fluids, except in conjunction with the repair of a **Covered Part** (this is limited to necessary amounts required to refill the system one (1) time for the repair of the **Covered Part**); nuts, bolts, and fasteners except when required to complete a covered repair on a **Covered Part**.

- k. Any part that a repair facility or manufacturer recommends or requires to be repaired, replaced, or is an update (including updated software or programming), and is not a **Mechanical Breakdown**. This includes modifications, replacement or alteration of existing parts or systems necessitated by the replacement of an obsolete, superseded, or unavailable part, and improper maintenance or repair.
- l. Any **Mechanical Breakdown** or damage resulting from misuse; abuse; negligence; damage due to overcharging; jump starting; allowing an electric or hybrid drive vehicle's high voltage drive battery to reach zero or near zero; exposing the vehicle to temperatures above 120 degrees Fahrenheit over 24 hours or -13 degrees Fahrenheit for over 7 days;

use of any electric or hybrid vehicle charger not recommended by the manufacturer.

- m. Any **Mechanical Breakdown** or damage resulting from collision or upset; fire or smoke; theft or attempted theft; vandalism; riot or civil commotion; acts of war or invasion; terrorism; explosion; lightning; earthquake; freezing; rust or corrosion; windstorm; hail; water or flood; acts of God; salt; pollution or contamination; environmental and road hazard damage; chemical or nuclear incident; ionizing radiations or contamination by radioactivity from any irradiated nuclear fuel.
- n. Any **Mechanical Breakdown** caused by a lack of required maintenance as set forth under Section 7. **YOUR RESPONSIBILITIES**; contaminants or contaminated fluids, fuel, coolants, oils, and lubricants; foreign objects; improper amounts or types of lubricants, fuels, or coolants; sludge and/or varnish.
- o. Any loss or expense that is a direct result of a mechanical or structural defect for which a manufacturer has announced a recall or other announcement for the purpose of correcting a defect, or the repair of any part covered by the Federal Emission Warranty, whether collectable or not.
- p. Any vehicle that currently has or at any time has had an altered, or inoperative odometer that has been left unrepaired, whether such repair is covered by this **Policy** or not.
- q. Any vehicle modified or altered with, but not limited to, high performance, off-road equipment, and/or battery/electrical system that is not original factory equipment, done before or after the **Effective Date** of this **Policy**. Any vehicle used for any type of competitive driving or racing.
- r. Any vehicle that is used or equipped with any of the following: Any tire or wheel sizes and/or offsets not recommended by the manufacturer. Any vehicle equipped with a lift kit or has any parts that are used to lift a vehicle or its suspension.
- s. **Mechanical Breakdown** or failure as a result of spinning of tires or over revving.
- t. Any vehicle used for pulling a trailer, unless the vehicle was properly equipped beforehand for this purpose as recommended by the manufacturer.
- u. Any vehicle that is reconstructed from salvage; declared a total loss; is a manufacturer or Dealer buyback; declared a lemon; the vehicle identification number has been changed or altered; or if the original manufacturer's warranty has been voided for any reason.
- v. Any loss or expense if **Your Approved Vehicle** is used for the following: Any commercial or business use (full or part time), taxi, livery or ride share services; municipal, volunteer or professional emergency services; fleet or pool services; towing a trailer whose weight exceeds the manufacturer's recommendations for that vehicle, or is used for any snowplowing.

- w. Any vehicle that has the following characteristics: step-van; high-cube van; box body; cab and chassis or other incomplete vehicle; right hand steering; any vehicle that has business related equipment permanently mounted to the chassis or bed of the vehicle; or that have special bodies designed for construction, hauling or delivery.
- x. Any vehicle not originally manufactured to be sold in the U.S. meeting U.S. specifications, commonly known as a gray market vehicle.
- y. Consequential damages to non-covered parts caused by the failure of a **Covered Part** are excluded from **Coverage** unless **You** have purchased the **Olive Complete Care Coverage**.
- z. **Our** liability for incidental and consequential damages including, but not limited to, personal injury, physical damage, property damage, loss of use of **Your Approved Vehicle**, loss of time, inconvenience, and commercial loss resulting from the operation, maintenance, or use of **Your Approved Vehicle** is expressly excluded.
- aa. Any **Mechanical Breakdown** covered by any limited warranty, manufacturer's warranty, manufacturer's and/or dealer customer assistance program, repairer's guarantee, road club, or any other guarantee, warranty, or insurance policy, whether collectible or not. It is **Your** responsibility for making sure that all remaining manufacturer's original warranties are transferred to **You**.
- bb. Any Loss, damage, cost, expense, or any other sum payable under this **Policy** of whatsoever nature directly or indirectly caused by, resulting from or in connection with:
 - i. any actual or threatened unauthorized, malicious, or criminal act, or series of actual or threatened unauthorized, malicious, or criminal acts, or any hoax relating to any of these.
 - ii. any failure to act, error, omission or accident or series of related failures to act, series of related errors, series of related omissions or series of related accidents; or
 - iii. partial or total unavailability or failure, or series of related partial or total unavailability or failures, involving or affecting the use or operation of, access to, or the processing of any computer, hardware, software, data, information technology and communications system, electronic device, server, cloud or microcontroller including any similar system or any configuration of the aforementioned, and including any associated input, output or data storage device.
- cc. **We** shall not provide cover nor be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose **Us** or any member of **Our** group to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of any country.

9. LIMIT OF LIABILITY

This **Policy** is limited to the repair or replacement of a failed **Covered Part**, due to a covered **Mechanical Breakdown**, only to restore the **Approved Vehicle** to the same or like condition prior to the **Mechanical Breakdown**. The aggregate total of all claim paid will not exceed the **Retail Value of the Vehicle or \$10,000, whichever is higher**, at the time of a current claim. Once this limit has been reached no further claims will be payable.

10. PARTS REPAIR AND REPLACEMENT

Replacement of parts shall be made with parts of like kind and quality, which may include new, remanufactured, rebuilt, refurbished, reconditioned, or used parts. Aftermarket parts that meet original equipment specification may also be used. At times it may be necessary to request repair facilities to send out parts for refurbishing at special facilities. **You** may also request a betterment offer in which **You** may pay the difference between the part **We** authorize and the part **You** wish to use (Example: **We** will authorize a rebuilt part but **You** wish to use a new part. **We** will pay the amount that we would authorize towards the new part and **You** will pay the difference).

11. REPAIRERS GUARANTEE

Any repair facility repairing **Your Vehicle** for a **Mechanical Breakdown** covered by this **Policy** is fully responsible for that repair for the term of the warranty indicated on the repair order or verbally given to **Us** at the time of the claim (minimum ninety (90) days is required). This **Policy** has no liability for similar repairs to the same part(s) during the warranty period. If more than one mechanical breakdown contract or insurance policy can be applied to a **Mechanical Breakdown** covered by this **Policy**, then this **Policy** shall be excess over all other contracts or policies, regardless of collectability.

12. PAYMENT OF COVERED REPAIRS

We will pay for the reasonable cost or reimburse **You** for the reasonable cost to repair a covered **Mechanical Breakdown** (diagnostic and repair time are allowed only for **Covered Repairs** and as indicated in a current edition of a Mitchell or AllData labor guides, or in the event there is a Technical Service Bulletins (TSB) **We** will use that published time listed on the TSB.), when repaired by a state licensed repair facility or, if necessary, **We** will arrange for the repair of such covered **Mechanical Breakdown** at **Our** expense. The payment of sales tax on repairs covered by this **Policy** will be made in accordance with the regulations of the taxing authority in the state where **Your Vehicle** has been repaired. Payment of covered **Mechanical Breakdowns** will only be released upon the receipt of a verifiable invoice signed by the **Policy** holder shown on the Declaration Page or the person to whom this **Policy** was properly transferred, indicating that the authorized repairs were properly performed and completed. Failure to sign the repair order may cause delays in processing **Your** claim. In the event **We** will be reimbursing **You** for repairs, reimbursement will be made via electronic fund transfer and **We** will contact **You** with instructions for this.

13. DEDUCTIBLE

The **Deductible** is the amount stated on the Declaration Page that **You** must pay for each repair visit.

14. GENERAL PROVISIONS

a. Dispute Resolution & Arbitration

Any controversy or claim arising out of or relating to this **Policy** or the breach thereof, may be settled by mutually agreed upon arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Unless both parties agree otherwise, arbitration will take place in the county in which the address shown in the Declarations is located. Local rules of law to procedure and evidence will apply.

b. Fraud or Misrepresentation

This **Policy** is issued in reliance upon the truth of all representations made by **You**. **We** will not pay a claim where **You** have made any misrepresentations, omissions, concealment of fact or made incorrect statements that were fraudulent or are material in either **Our** acceptance of the risk or hazard from the **Policy** holder.

c. Transferability

You may transfer the remaining coverage of this **Policy** if **You** or the new **Vehicle** owner initiates the transfer process and provides the following items to **Us**, within thirty (30) days of the **Vehicle** sale:

- (i) a statement of the mileage on the **Vehicle** at the time of transfer; and
- (ii) the name, address and phone number of the transferee.

You may not transfer coverage if the **Vehicle** becomes ineligible for coverage or is repossessed. Transferred Policies may not be cancelled by **You**.

d. Legal Action Against Us

No suit or action may be brought against **Us** unless there has been full compliance with all terms of this **Policy**.

e. Right to Recover

If anything is paid under this **Policy** and **You** have the right to recover from another party, **Your** rights became subrogated to **Us** up to the amount paid by this **Policy**. **You** must do whatever is necessary to enable **Us** to enforce these rights.

f. No Benefit to Bailee

We do not cover, directly or indirectly, any person or organization transporting or holding property for a fee.

g. Non-Renewal

We are under no obligation to renew this *Policy*. Once **We** choose to non-renew this **Policy** or condition its renewal upon changes of limits or elimination of any **Coverages**, **We** shall mail or deliver written notice to **You** at least thirty (30) days before the end of the **Policy's Expiration Date**. The notice of non-renewal or conditional renewal shall include the reason for non-renewal or conditional renewal, which may be based on **Your** involvement in an accident, a change in, or addition of, a vehicle or an insured; a change in the location of the use or storage of the **Vehicle**, payment of claims filed by **You** or someone else, or other reasons that are both lawful and not unfairly

discriminatory.

h. Entire Policy

This **Policy** represents the entire agreement between **You** and **Us**. No person has the authority to change this **Policy** or to waive any provisions.

i. Territory

This **Policy** applies to a **Mechanical Breakdown** that has occurred within the United States of America or Canada. A **Mechanical Breakdown** that occurs outside of the United States of America or Canada is not covered.

15. CANCELLATIONS

a. **You** may cancel this **Policy** by returning it to **Us**; or by notifying **Us** in writing when, at a future date, cancellation is to take effect.

b. **We** may only cancel this **Policy** for the following reasons:

- (i) Nonpayment of **Premium**.
- (ii) Fraud by **You**.
- (iii) Material misrepresentation by **You**.
- (iv) Gross negligent acts or omissions by **You** which substantially increase the hazards insured against; or
- (v) Physical changes in the property causing it to be uninsurable.

If **We** cancel due to nonpayment of **Premium**, **We** will give **You** at least ten (10) days advance written notice. If **We** cancel because of fraud or material misrepresentation by **You**, **We** will give **You** at least twenty (20) days written notice. If **We** cancel for any other reason, **We** will give **You** at least thirty (30) days advance written notice.

Notice of cancellation shall state the reason for cancellation. Proof of mailing will be sufficient proof of notice. A lienholder or financier of this **Policy**, if any, may cancel this **Policy** for nonpayment or if the **Vehicle** is declared a total loss or is repossessed by providing written notice of cancellation at least ten (10) days before the effective date of cancellation. If the **Policy** is canceled for any of these reasons, any refunds will be issued to the lienholder on behalf of **Your** account.

16. REFUNDS

If **We** receive a written cancellation request, including a copy of **Your** Declaration Page and proof of payment on or before the 30th day from the signature date or **Effective Date** and no claims have been filed under this **Policy**, **We** will cancel this **Policy** and refund any premium paid either to **You**, or if there is a lienholder or financier, back to the lienholder or financier.

If **We** receive a written cancellation request, including a copy of **Your** Declaration Page and proof of payment after the 30th day or if a claim has been filed at any time during the term of this **Policy** from the signature date or **Effective Date**, **We** will refund **Your** premium on a pro rata basis either to you, or if there is a lienholder or financier, back to the lienholder or financier.

CALIFORNIA DISCLOSURE

WE ARE PROHIBITED BY LAW FROM REQUIRING THAT REPAIRS BE DONE AT A SPECIFIC AUTOMOTIVE REPAIR DEALER. YOU ARE ENTITLED TO SELECT THE REPAIR SHOP TO REPAIR DAMAGE COVERED BY US. IF WE HAVE RECOMMENDED AN AUTOMOTIVE REPAIR DEALER THAT WILL REPAIR YOUR DAMAGED VEHICLE, YOU MAY CONTACT ANY OTHER AUTOMOTIVE REPAIR DEALER YOU ARE CONSIDERING TO CLARIFY ANY QUESTIONS YOU MAY HAVE REGARDING SERVICES AND BENEFITS. IF YOU AGREE TO USE OUR RECOMMENDED AUTOMOTIVE REPAIR DEALER, WE WILL CAUSE THE DAMAGED VEHICLE TO BE RESTORED TO ITS CONDITION PRIOR TO THE LOSS AT NO ADDITIONAL COST TO YOU OTHER THAN AS STATED IN THE POLICY OR AS OTHERWISE ALLOWED BY LAW. IF YOU EXPERIENCE A PROBLEM WITH THE REPAIR OF YOUR VEHICLE, PLEASE CONTACT US IMMEDIATELY FOR ASSISTANCE.

SAMPLE