



VEHICLE SERVICE AGREEMENT

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

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

CUSTOMER SERVICE – 1 (800) 599-9557

CLAIMS – 888-802-8217

IMPORTANT INFORMATION YOU NEED TO KNOW

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

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

- This **Service Agreement** is issued exclusively to me with respect to the **Vehicle** identified on the **Declaration Page**.
- In order to keep this **Service Agreement** in effect, I must perform the oil changes and at regular intervals as required by the section **WHAT YOU MUST DO TO KEEP YOUR SERVICE AGREEMENT IN EFFECT**.
- All work covered by this **Service Agreement** must be performed by a repair facility authorized by the **Administrator**.

DEFINITIONS

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

Administrator refers to Palmer Administrative Services, Inc.

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

Deductible – refers to the **Deductible** type and amount **You** will need to pay, as shown in the **Declaration Page** for each component covered under this contract.

Failure – refers to the **Failure** of a covered part under normal service. A covered part has failed when it can no longer perform the function for which it was designed solely due to its condition, and not due to the action or inaction of any non-covered parts. A **Failure** does not include gradual reduction in operating performance due to normal wear and tear.

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

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

We, Us, Our – refers to the entity who is obligated to perform under this **Service Agreement**, as indicated on the **Declaration Page**.

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

TERMS AND CONDITIONS

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

1. SERVICE AGREEMENT PERIOD

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

2. FAILURE OF COVERED PARTS AND LABOR

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

3. TERRITORY

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

4. LIMIT OF LIABILITY

The aggregate total of provider's liability for all benefits paid or payable during the term of this **Service Agreement** shall not exceed the actual cash value of the **Vehicle** according to current National Auto Dealers Association standards or \$15,000 whichever is greater for the life of the **Service Agreement**.

5. OUR RIGHT TO RECOVERY

If **We** pay anything under this **Service Agreement** and **You** have the right to recover from another party, **Your** rights will become **Our** rights up to the amount **We** paid and **You** will do whatever is necessary to enable **Us** to enforce these rights.

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6. MAINTENANCE REQUIREMENTS

You must maintain **Your Vehicle** according to the manufacturer's recommendations as outlined in the owner's manual. **Your** owner's manual has separate required maintenance schedules for "normal" and "more severe" operating conditions. **You** are required to follow the maintenance schedule that applies to **Your** conditions. **You** must be sure only the proper grade lubricants and coolants, as recommended by the manufacturer, are used in **Your Vehicle**. It is necessary for **You** to retain verifiable receipts for all parts and materials necessary to perform the required maintenance. If necessary, this documentation will be verified by the **Administrator**.

7. DEDUCTIBLE

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

8. ARBITRATION

Any controversy or claim arising out of or relating to this **Service Agreement**, or breach thereof, will be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. A judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The parties specifically agree to the binding nature of the arbitration.

OTHER IMPORTANT SERVICE AGREEMENT PROVISIONS

- If the original manufacturer's warranty relating to the **Vehicle** has been transferred to **You** or another service contract that may be in place. **You** must first obtain all repairs of the covered parts under the manufacturer's warranty or other service contract before this **Service Agreement** will apply.
- If any authorized repairs under this **Service Agreement** are performed by a repair facility approved by the **Administrator**, **You** must transfer and assign to **Us** all rights **You** may have against such facility, including **Your** rights under any repairer's guaranty, and do nothing to prejudice **Our** ability to enforce such rights. As

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one remedy to enforce such rights, **We** may require **You** to take the **Vehicle** back to such facility for follow-up repairs.

- If **You** allow any person to perform repairs to a covered part without the approval of the **Administrator**, **You** must first exhaust all of **Your** rights and remedies against such person with respect to such repairs if they are performed in a faulty manner or otherwise cause a subsequent **Failure** to occur.

WHAT THIS SERVICE AGREEMENT COVERS

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

All of the components and parts listed in this **Service Agreement** are covered, less the **Deductible** stated on the **Declaration Page** for each repair visit.

When **You** purchase this **Service Agreement**, all components of **Your Vehicle** must be operating properly and in accordance with the manufacturer's specifications to qualify for **Coverage** under this **Service Agreement**. PRE-EXISTING CONDITIONS are not covered. Any defect in the part(s) covered by this **Service Agreement** existing on the date this **Service Agreement** was purchased is not covered by this **Service Agreement**.

1. **ENGINE:** (1) All internally lubricated parts of the **Vehicle's** engine, including pistons, piston rings, piston pins, crank shaft and main bearings, connecting rods and rod bearing, camshaft and camshaft bearings, timing chain and timing gears (Does not include coverage to the timing belt if equipped or its related components as these items are listed as scheduled maintenance items by your vehicle's manufacturer), timing chain tensioners and retainers, intake and exhaust valves, valve springs, push rods, rocker arms, hydraulic lifters and rocker arm shafts, and (2) the engine block and cylinder heads provided the **Failure** of the engine block or cylinder heads is caused by the **Failure** of a part listed in (1) above (does not include any part other than what is supplied in Long Block Assembly).
2. **TRANSMISSION (Automatic only):** Transmission case and Torque converter case, ONLY if damaged due to the failure of a covered internally lubricated part. The following parts are covered: Vacuum modulator; internal linkage and internally lubricated parts.

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3. **DRIVE AXELS:** Differential housing, transaxle housing, final drive housing, ONLY if damaged due to the failure of a covered internally lubricated part. All internally lubricated parts contained within the housings listed: Axle shaft(s); Constant Velocity Joints; Universal joints; Drive shaft(s); locking hubs and locking hub rings (if 4X4 surcharge is marked on the **Declaration Page** and paid for).
4. **SEALS AND GASKETS:** For Covered Components, but not as a primary **Failure**.

The following parts are covered when applicable surcharge is marked on the **Declaration Page** and paid for:

TURBOCHARGER: Internally lubricated parts within the Turbocharger housing; Turbocharger housing ONLY if damaged due to the **Failure** of a covered internally lubricated part.

4X4 / ALL WHEEL DRIVE: Internally lubricated parts within the transfer case; Transfer case housing ONLY if damaged due to the **Failure** of a covered internally lubricated part; locking hubs and locking hub rings.

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

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

BENEFITS

CAR RENTAL: **We** will, in the event of a **Failure** covered by this **Service Agreement**, pay or reimburse **You** for receipted expenses to

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

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

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

WHAT YOU MUST DO TO KEEP THIS SERVICE AGREEMENT IN EFFECT

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

1. **You** must service and maintain serviceable, covered parts according to the Manufacturer's recommendations for new vehicles.

Most Manufacturers have separate required maintenance schedules for "normal" and "more severe" operating conditions. Most vehicles today are operated under the "more severe" conditions which require more frequent maintenance, including shorter three thousand(3,000)

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miles oil and filter changes and transmission fluid changes. All operating conditions require coolant changes at thirty thousand (30,000) miles. Other maintenance requirements are listed in **Your** owner's manual.

2. **Be sure only the proper high quality grade of lubricants and coolants as recommended by the Manufacturer are used in Your Vehicle.**
3. Damage caused by inadequate fluid levels is not covered by this **Service Agreement**. Check **Your** fluid every three hundred (300) miles or when refueling.
4. **You** are responsible for taking immediate corrective action to repair, at **Your** expense, engine lubricant leaks and engine coolant leaks discovered in the course of any oil change or at any other time.
5. **You** must refrain from altering, tampering with, or replacing the **Vehicle** Identification Number (VIN) or the odometer of **Your Vehicle**. If for any reason the odometer fails to work as intended, **You** must immediately have it repaired at **Your** expense.

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

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

WHAT TO DO IN THE EVENT OF A FAILURE

1. Prevent Further Damage – **You** should use all reasonable means and precautions to protect **Your Vehicle** from further damage. This **Service Agreement** will not cover damage caused by not securing a timely repair of the failed component.
2. If **Your Vehicle** breaks down, return to the issuing dealer during normal service department hours. If this is not possible, take **Your Vehicle** to the licensed repair facility of **Your** choice. Instruct the repair facility that they must obtain an authorization number from the **Administrator** prior to proceeding with the repairs. The amount

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authorized is the maximum that will be paid. Any additional amounts need prior approval.

3. In some cases, **You** may be required to authorize the repair facility to inspect or tear down **Your Vehicle** to determine the cause of **Failure** and cost of the repair. **You** will be responsible for these charges if the **Failure** is not covered by this **Service Agreement**. **We** reserve the right to require an inspection of **Your Vehicle** prior to any repair being performed. **We** reserve the right to move **Your** covered **Vehicle** to another repair facility.
4. After the **Administrator** has been contacted, review with the repair facility the components that will be covered by this **Service Agreement**.
5. **We** will reimburse the repair facility or **You** for the cost of authorized repairs performed on **Your Vehicle**, less any applicable **Deductible**. All repair orders and necessary documentation **must** be submitted to **Us** within thirty (30) days by **You** or the repair facility to qualify for payment.
6. State Laws and Administrative Codes may supersede any of the provision herein.
7. If **You** have financed the purchase of the **Service Agreement** and there is an outstanding balance due and the claim amount is larger than the amount **You** have paid, the outstanding balance may be deducted from the authorized claim payment for customers in the following states: AR, CO, DE, D.C., ID, IN, KS, KY, ME, MA, MI, MS, MT, NJ, OH, PA, RI, SD, TN, and WV.

REPAIR FACILITY GUIDELINES FOR CLAIMS HANDLING

Follow these steps when handling a claim:

1. Advise **Service Agreement** holder that evaluation of a **Failure** does not mean that the repair is covered under this **Service Agreement**. All covered repairs must receive prior authorization from the **Administrator**.
2. Have **Service Agreement** holder authorize inspection/tear down of the **Vehicle** to determine the cause of the **Failure** and cost to repair.

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Save all components, including fluids and filters, should the **Administrator** require outside inspection. Notify the **Service Agreement** holder that cost of tear down will not be paid if it is determined that the **Failure** is not covered under this **Service Agreement**.

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

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8. Submit the repair order(s) that must contain the **Service Agreement** number, authorization number and authorized amount to the **Administrator** within thirty (30) days to the following address:

Palmer Administrative Services, Inc.
Drawer 223
Allenhurst, NJ 07711
Claims Number: 888-802-8217

WHAT THIS SERVICE AGREEMENT DOES NOT COVER

This **Service Agreement** does not cover the following:

1. A **Failure** caused by contamination or lack of proper fuels, coolants, or lubricants.
2. A **Failure** caused by failure to replace seals or gaskets or otherwise to perform proper maintenance of the **Vehicle** on a timely manner.
3. A **Failure** caused by unauthorized modifications or alterations of a covered part, installation of performance accessories to the engine, or unauthorized repairs or replacements of covered parts performed in a faulty manner.
4. A **Failure** caused by overheating, rust or corrosion.
5. A **Failure** caused by pre-ignition, detonation, pinging, improper lubricants or improper engine adjustments.
6. A **Failure** caused by collision, fire, electrical fire or meltdown, theft, freezing, vandalism, flood, or for any hazard insurable under standard physical damage, bodily injury, punitive damages, and any incidental or consequential damages or loss of any kind that results from a **Failure**. Some states do not allow the exclusion or limitation of incidental consequential damages, so the above exclusions or limitations may not apply to **You**.
7. Any costs or other benefit for which the manufacturer has announced its responsibility through any means including public recalls or factory service bulletins.
8. A gradual reduction in operation performance due to normal wear and tear, such as guides, valves, rings and loss of compression.
9. Seals and gaskets including constant velocity joint boots are not covered unless required in the repair of a covered part.

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10. Repairs covered by the original manufacturer's warranty, provided such warranty has been transferred to **You**.
11. The costs associated with the tear down or diagnosis of a potential **Failure**, unless it is subsequently determined that **Failure** covered by this **Service Agreement** has occurred.
12. Caused by negligence, misuse or abuse.
13. Of any otherwise covered part or system that does not meet manufacturer's specifications, including modifications and /or alterations to the **Vehicle**, also including mechanical **Failure** of any otherwise covered part or system that is directly or indirectly related to such part or system that does not meet manufacturer's specification or has been otherwise modified or altered; by way of EXAMPLE and not limitation: oversized tires, headers, altered ignition system, altered engine management systems, free flow exhaust system, aftermarket sunroofs, alarm systems, snow plows or lift kits, regardless if **Vehicle** was purchased with such.
14. The following parts: Not limited to the carburetor, battery, manual transmission clutch assembly, friction clutch, disc and pressure plate, throw out bearing, manual and hydraulic linkages, distributor cap and rotor, exhaust and emission systems, catalytic converters; air injection pumps, tubing and valves; constant velocity joint boots.

CANCELLATION OF VEHICLE SERVICE AGREEMENTS

1. **CANCELLATION** – This **Service Agreement** applies only to **You** and **Your Vehicle**.

In the event the covered **Vehicle** is repossessed, declared a total loss, or **You** give notice of cancellation, this **Service Agreement** shall terminate. Submit immediately to (per #3 below) or the selling dealer/vendor in writing the following: **Service Agreement** number, VIN, mileage, including a certified ending odometer reading, make and model of **Vehicle**. If cancelled within thirty (30) days and no claims have been paid, the amount of the refund shall be equal to the full amount paid for this **Service Agreement**. Otherwise in determining the amount of any refund, the purchase price of the **Service Agreement** shall be multiplied by the greater of (a) the portion obtained by dividing the total mileage used from the date of sale of the **Vehicle** by the

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maximum number of miles covered under this **Service Agreement** or (b) the fraction obtained by dividing the number of months covered under this **Service Agreement**. The difference between the number so obtained and the price of the **Service Agreement**, less the refund fee (as determined below), less any authorized claims (where allowable by law) shall be refunded to **You** and/or the lienholder. In the event of repossession or total loss, the lienholder will be the sole payee. Refer to the state notices on the back of this page for specific.

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

2. **We** may cancel this **Service Agreement** for fraud, misrepresentation, or for non-payment of this **Service Agreement** by mailing a Notice of Cancellation stating the reason for cancellation to **Your** last known address.
 - a. In the event the cost of this **Service Agreement** is included in a 'Retail Installment Sales contract' and **We** cancel this **Service Agreement** prior to payment in full of the installment sales obligation, the refund due hereunder shall be made to the lienholder.
 - b. Cancellation of this **Service Agreement** shall become effective fifteen (15) days after Notice of Cancellation has been mailed to **You**.
3. In the event **You** cancel this **Service Agreement**: Please mail cancellation requests including certified ending odometer reading to: Palmer Administrative Services, Inc., Drawer 223 Allenhurst, NJ 07711.
4. By the Lienholder – **You** understand and acknowledge that the lienholder (if any) has the right to cancel this **Service Agreement** if **Your Vehicle** is repossessed or destroyed or **You** are otherwise in default of **Your** obligations to repay the amount financed by the lienholder.

TRANSFER RIGHTS AND PROCEDURE

Transfer Rights

This **Service Agreement** is for the benefit of the original **Service Agreement** holder and is transferable subject to a transfer fee and providing **Service Agreement** is being transferred to a subsequent

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private purchaser of the **Service Agreement** holds **Vehicle**. (Transfer rights are voided when **Vehicle** is either traded or sold to an Automobile Dealer or Broker).

Transfer Procedure

Submit the following:

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

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