

**CONTRACT PROVISIONS - PART B**

**SECTION I. DEFINITIONS**

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

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

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

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

“**Powertrain Warranty Component**” means any component originally covered by the **Vehicle** Manufacturer’s Powertrain Warranty issued to the first retail owner.

“**Diesel Engine Warranty Component**” means any component originally covered by the **Vehicle** Manufacturer’s Diesel Engine Warranty issued to the first retail owner.

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

“**Repair Cost**” means the parts and labor expense necessary to repair or replace any **Covered Component** that is the result of a covered **Mechanical Breakdown**, except as specifically set forth herein. **We may use replacement components of a like kind and quality that may be rebuilt, remanufactured, or used**. Parts pricing will be determined by the lesser of **Your Vehicle** manufacturer’s suggested retail price or the suggested retail price of a like kind and quality part, whichever is authorized by **Us**. Labor will be determined by a current nationally recognized flat rate labor guide. **Repair Cost includes the required taxes associated with the covered Mechanical Breakdown, and excludes shop supplies and environmental disposal charges.**

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

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

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

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

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



I have read this Contract in its entirety and am aware of the following:

1. The coverage I have selected expires on the expiration date shown in the Application, or when the number of miles specified in the Application has been driven, whichever occurs first.
2. The components and parts covered under this Contract are listed under SECTION II. WHAT THIS CONTRACT COVERS.
3. I understand that in order to keep this Contract in effect, I must have my **Vehicle** serviced as indicated in SECTION IV. CONDITIONS OF COVERAGE, PART 1. VEHICLE MAINTENANCE.
4. I understand that if I have a **Mechanical Breakdown** I am to follow the instructions listed under SECTION IV. CONDITIONS OF COVERAGE, PART 2. WHAT TO DO WHEN A BREAKDOWN OCCURS.
5. I understand that I have the right to cancel this Contract and receive a refund as indicated under SECTION V. GENERAL PROVISIONS, 7. CANCELLATION.
6. I understand that this Contract does not cover a number of exclusions which are listed under SECTION III. WHAT IS NOT COVERED.
7. The implied warranty of merchantability on the motor vehicle is not waived if the contract has been purchased within ninety days of the purchase date of the motor vehicle from a provider who also sold the motor vehicle covered by the Contract.

Contract Holder’s Signature \_\_\_\_\_

**Your Vehicle** is licensed, registered or titled for commercial purposes or not, or licensed, registered or titled to a corporation or not.

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

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

**“Covered Component”** under Silver Coverage means those components of **Your Vehicle** which are named in this Contract under the applicable coverage section contained in Section II. What This Contract Covers and which are not excluded in Section III. What Is Not Covered.

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

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## SECTION II. WHAT THIS CONTRACT COVERS

### COVERAGE A. MECHANICAL BREAKDOWN REIMBURSEMENT

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

**OUR MAXIMUM LIABILITY UNDER THIS CONTRACT IS LIMITED TO THE LESSER OF THE ACTUAL CASH VALUE OF YOUR VEHICLE OR THE ACTUAL REPAIR COST, LESS ANY APPLICABLE DEDUCTIBLE.**

### SILVER COVERAGE

**Engine Covered Components:** Cylinder block, Cylinder head(s), Turbocharger/Supercharger and their internal components; Mounts; Timing gears; Timing/Balance shaft chain/belt, guides, tensioners, sprockets and cover; Flywheel/Flex-plate; Harmonic balancer; Oil pan; Oil pump; Intake manifold; Valve cover(s); Waste gate; Engine oil pressure gauge; Engine oil and filter only in conjunction with covered **Mechanical Breakdowns**.

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

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

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

**Suspension Covered Components:** Wheel bearings; Sway bar and its bushings and linkage; Upper and lower control arms; Control arm shafts and bushings; Upper and lower ball joints; Strut bar; Spindle and support.

**Steering Covered Components:** Gear housing, rack assembly and their internal components; Control valve and cylinder; Power cylinder assembly; Steering column shaft(s) and their couplings/bearings; Steering knuckle; Power steering pump, pulley, and mounting bracket; Pitman arm; Idler arm; Drag link; Steering column bearings; Power steering fluid only in conjunction with covered **Mechanical Breakdowns**.

**Engine Cooling Covered Components:** Radiator fan motor; Water pump and pulley; Fan clutch; Fan shroud; Radiator coolant recovery unit; Electric radiator fan motor relay/switch; Electric radiator fan motor sensor; Engine coolant temperature gauge; Engine coolant only in conjunction with covered **Mechanical Breakdowns**.

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

**Ignition and Charging Covered Components:** Alternator; Voltage regulator; Ignition coil; Electronic ignition module; Electronic ignition distributor; Throttle position sensor; Fuel control temperature sensor; Idle control actuator; Manifold vacuum sensor; Crankshaft position sensor; Camshaft position sensor; Alternator pulley and mounting bracket; Igniter; Volt/Amp gauge.

**Electrical Covered Components:** Starter motor; Starter motor drive; Starter motor solenoid; Wiper motors; Manually operated electrical switches; Horn and horn relay; Electric window motors; Electric mirror motors; Cruise control module; Cruise control actuator; Electric door lock relay and actuator; Electric trunk/tailgate/hatchback actuators; Backup light switch; Brake light switch; Door-operated courtesy light switches; Neutral safety switch; Windshield washer pump; Cigarette lighter(s); Auxiliary power point; Tachometer; Headlamp dimmer switch; Map lights; Clock.

**Fuel System Covered Components:** Fuel tank; Fuel pump; Accelerator pedal; Fuel pressure regulator; Fuel level sending unit; Accelerator pedal linkage; Fuel pressure sensor; Fuel pump relay; Fuel shutoff control; Fuel tank filler pipe; Metal fuel lines; Fuel gauge.

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

**Under Silver Coverage, seals and gaskets are covered only for the above listed components.**

**Silver Coverage is limited to the above named components.**

**ANY PART NOT LISTED ABOVE IS NOT COVERED.**

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

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

## COVERAGE C. RENTAL VEHICLE REIMBURSEMENT

In the event a **Mechanical Breakdown** of a Covered Component requires that **Your Vehicle** be kept by a repair facility, **You** may wish to rent a substitute vehicle. The substitute vehicle must be rented from a licensed rental agency or the repair facility. Reimbursement is valid only for actual and verifiable expenses incurred from the date of the covered **Mechanical Breakdown** until the date repairs are completed, and excludes any expense for mileage, gasoline, maintenance or insurance charges. Rental Vehicle Reimbursement will not exceed \$180.00 per repair visit for the entire period required to complete repairs, subject to the schedule below. If repairs are delayed due to parts unavailability, which is confirmed by **Us**, **You** may receive reimbursement for up to 4 additional days of Rental Vehicle Reimbursement per repair visit (limited to \$30 per day for a maximum of \$120), provided a separate additional authorization is obtained from **Us**. Rental Reimbursement is subject to the following schedule:

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

## COVERAGE D. TIRE PROTECTION REIMBURSEMENT

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

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

## COVERAGE E. EMERGENCY TRIP INTERRUPTION REIMBURSEMENT

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

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

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

## COVERAGE F. SPECIAL ELECTRONICS PACKAGE

If **You** selected and paid an additional charge for the Special Electronics Package as shown on **Your** Application, the following additional components of **Your Vehicle** will be covered under this Contract: GPS/Navigation System; Night Vision system; and Video components including TV/VCR/DVD/Video Game Player.

- This coverage applies to manufacturer-installed base units only and does not include software contained therein, cleaning/adjusting, programming, or updates. In addition, the following items are excluded under this coverage: all media (for example, digital storage media, cassettes, compact discs, DVDs, and game cartridges), subscription fees or services, and all handheld wired or remote controls or devices including wiring to handheld devices.
- Coverage for components specifically named in this section supersedes the exclusion of those components in Section III. What is Not Covered.
- This optional coverage requires payment of a surcharge and must have been selected at the time **You** purchased this Contract.
- Component replacements are limited to one (1) occurrence during the term of this Contract.

## COVERAGE G. CONSEQUENTIAL LOSS

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

- Coverage under this Section supersedes any exclusion contained in this Contract to the contrary.
- Consequential loss coverage shall not exceed a total aggregate payment of \$2,000.00 for the entire term of this Contract.

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

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## SECTION III. WHAT IS NOT COVERED

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

1. REPAIR OR REPLACEMENT OF COMPONENTS THAT ARE RECOMMENDED OR REQUIRED SOLELY BY THE ENACTMENT OF ANY LOCAL, STATE, OR FEDERAL LAW, RULE OR REGULATION. NOR DOES THIS CONTRACT COVER ANY REPAIR OR REPLACEMENT OF COMPONENTS RECOMMENDED OR REQUIRED SOLELY BY A MANUFACTURER'S TECHNICAL BULLETIN OR MANUFACTURER UPDATE WHEN NO FAILURE HAS OCCURRED.
2. NON-MECHANICAL, NON-ELECTRICAL, NON-PNEUMATIC OR NON-HYDRAULIC COMPONENTS; AUDIO SPEAKERS; BATTERIES; WATER AND WIND/AIR LEAKS; BUMPERS; CABLES; CHASSIS; CLAMPS; FASTENERS (I.E., NUTS, BOLTS, STUDS, CLIPS, ETC.)<sup>[1]</sup>; CONVERTIBLE TOPS AND THEIR MECHANISMS<sup>[2]</sup>; EXHAUST/EGR SYSTEM; AIR PUMP AND CATALYTIC CONVERTER, PCV SYSTEM; FUEL VAPOR RECOVERY SYSTEM; GASOLINE FUEL INJECTORS THAT DO NOT HAVE AN ELECTRICAL FAILURE; GLASS; HOSES; LINES AND FITTINGS<sup>[3]</sup>; MIRRORS<sup>[4]</sup>; MANUAL CLUTCH COMPONENTS; PASSENGER/DRIVER RESTRAINT SYSTEMS; SEAT COMPONENTS<sup>[5]</sup>; SECONDARY IGNITION COMPONENTS; SUSPENSION SPRINGS; TELEPHONES; TORSION BARS; WHEELS; INTERNET COMPUTER; TELE-MATIC SERVICES AND DEVICES (I.E., ONSTAR); NAVIGATION SYSTEM<sup>[6]</sup>; VIDEO COMPONENTS<sup>[6]</sup>; HEADS-UP DISPLAY<sup>[6]</sup>; NIGHT VISION SYSTEMS<sup>[6]</sup>.

### SUBSECTION 2 NOTES

- [1] FASTENERS (I.E., NUTS, BOLTS, STUDS, CLIPS, ETC.) ARE COVERED IN CONJUNCTION WITH A COVERED REPAIR.
- [2] CONVERTIBLE TOP COMPONENTS: ONLY ELECTRIC CONVERTIBLE TOP MOTOR IS COVERED.
- [3] BRAKE LINES/FITTINGS: ONLY METAL BRAKE LINES/FITTINGS ARE COVERED. FUEL LINES: ONLY METAL FUEL LINES ARE COVERED.

- [4] MIRRORS: ONLY MIRROR MOTORS ARE COVERED.
  - [5] SEAT COMPONENTS: ONLY SEAT TRACKS, MOTOR, AND TRANSMISSION ARE COVERED.
  - [6] NAVIGATION SYSTEM, VIDEO COMPONENTS, HEADS-UP DISPLAY, AND NIGHT VISION SYSTEMS ARE COVERED ONLY WHEN YOU HAVE PURCHASED THE SPECIAL ELECTRONICS PACKAGE.
3. NORMAL MAINTENANCE AND SERVICE ITEMS; ALIGNMENTS; ADJUSTMENTS; CALIBRATIONS; SOFTWARE UPDATES; CLEANING; NON-PUBLISHED DIAGNOSTIC LABOR; FILTERS/FLUIDS/LUBRICANTS/REFRIGERANTS<sup>[1]</sup>; A/C ACCUMULATOR/DRIER<sup>[2]</sup>; FUSES; LIGHTS/BULBS/LENSES ASSEMBLIES; WEAR ITEMS; ACCESSORY DRIVE BELTS; BRAKE PADS/SHOES/DRUMS/ROTOR; SHOCKS; STRUTS; TIMING BELTS THAT ARE WORN OR STRETCHED; AND WIPER BLADES.

**SUBSECTION 3 NOTES**

- [1] FILTERS/FLUIDS/LUBRICANTS/REFRIGERANTS ARE COVERED IN CONJUNCTION WITH A COVERED REPAIR.
  - [2] A/C ACCUMULATOR/DRIER ARE COVERED IN CONJUNCTION WITH COMPRESSOR REPLACEMENT.
4. ANY COMPONENT NOT SUPPLIED AS ORIGINAL EQUIPMENT BY THE VEHICLE MANUFACTURER.
5. POWERTRAIN WARRANTY COMPONENTS AND/OR DIESEL ENGINE WARRANTY COMPONENTS IF YOU SELECTED AND PAID FOR THE POWERTRAIN WRAP COVERAGE, POWERTRAIN EXCLUSION COVERAGE, AND/OR THE DIESEL ENGINE WARRANTY WRAP COVERAGE AS SHOWN ON YOUR APPLICATION.
6. ANY MECHANICAL BREAKDOWN OR DAMAGE:
- A. CAUSED BY RUST, CORROSION, OXIDATION, CONTAMINATION, SLUDGE, OR RESTRICTED OIL PASSAGES;
  - B. CAUSED BY IMPROPER AMOUNTS OR IMPROPER TYPES OF LUBRICANTS, COOLANTS, REFRIGERANTS OR FILTERS;
  - C. IF PRIOR AUTHORIZATION IS NOT GIVEN BY US PRIOR TO REPAIRS BEING PERFORMED (SEE CONDITIONS OF COVERAGE);
  - D. RESULTING FROM MISUSE OF, ALTERATION OF, TAMPERING WITH, DISCONNECTION OF, MISCHIEF OR VANDALISM TO, THE VEHICLE OR ANY OF ITS COMPONENTS; OR DAMAGES RESULTING FROM COLLISION, ACCIDENTS, WATER, FIRE, FREEZING, ACTS OF GOD, OR THEFT;
  - E. IF MAINTENANCE RECORDS HAVE BEEN REQUESTED BY US BUT CANNOT BE PRODUCED OR VERIFIED;
  - F. THAT EXISTS PRIOR TO THE EFFECTIVE DATE OF THIS CONTRACT, THAT OCCURS OR IS REPORTED AFTER THE EXPIRATION OF THIS CONTRACT, OR THAT OCCURS DURING THE VEHICLE MANUFACTURER'S WARRANTY PERIOD; THAT OCCURS DURING A REPAIRER'S GUARANTEE; OR THAT OCCURS DURING A PARTS WARRANTY;
  - G. IF YOUR VEHICLE'S ODOMETER IS INOPERATIVE, HAS EVER BEEN ALTERED OR TAMPERED WITH, OR THE ACTUAL ACCUMULATED MILEAGE CANNOT BE DETERMINED;
  - H. DUE TO CONTINUED OPERATION OF YOUR VEHICLE, OR FAILURE TO USE REASONABLE MEANS TO PROTECT YOUR VEHICLE FROM FURTHER DAMAGE, AFTER A FAILURE OCCURS (SEE CONDITIONS OF COVERAGE);
  - I. CAUSED BY ENGINE OVERHEATING OR LACK OF LUBRICATION DUE TO FAILURE OF A NON-COVERED COMPONENT.
7. WE WILL NOT COVER ANY OF THE FOLLOWING:
- A. ANY RESULTING OR CONSEQUENTIAL DAMAGE TO A NON-COVERED COMPONENT, OR CAUSED BY, A NON-COVERED COMPONENT;
  - B. ANY CHARGES, COSTS, EXPENSE, INCONVENIENCE, LOSS OF TIME, LOSS OF INCOME OR ANY OTHER CONSEQUENTIAL LOSSES ARISING FROM A MECHANICAL BREAKDOWN NOT SPECIFICALLY COVERED BY THIS CONTRACT, OR ANY OTHER EXPENSES YOU INCUR NOT SPECIFICALLY COVERED BY THIS CONTRACT;
  - C. IF YOUR VEHICLE IS USED FOR, EQUIPPED FOR OR IDENTIFIED AS A: SNOW PLOW, RACING, EMERGENCY, DELIVERY VEHICLE, OR COMMERCIAL VEHICLE (LIMITED COMMERCIAL USE IS AVAILABLE ONLY IF THE PROPER SURCHARGE HAS BEEN PAID);
  - D. GRINDING OF VALVES OR OTHER COMPONENT REPAIRS TO IMPROVE COMPRESSION OR CORRECT OIL CONSUMPTION WHEN A DEFINED MECHANICAL BREAKDOWN HAS NOT OCCURRED;
  - E. IF ANY ALTERATIONS OR MODIFICATIONS HAVE BEEN MADE TO YOUR VEHICLE, OR YOU ARE USING OR HAVE USED YOUR VEHICLE IN A MANNER NOT RECOMMENDED BY THE MANUFACTURER (EXAMPLES INCLUDE, BUT ARE NOT LIMITED TO: ANY CUSTOM OR ADD-ON PART; ALL FRAME OR SUSPENSION MODIFICATIONS; LIFT KITS; OVERSIZED TIRES; HEAVY DUTY TRAILER HITCHES; EMISSIONS AND/OR EXHAUST SYSTEMS MODIFICATIONS; ENGINE MODIFICATIONS; ENGINE OVER-REVVING; IMPROPER SHIFTING).

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

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## SECTION IV. CONDITIONS OF COVERAGE

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

### 1. VEHICLE MAINTENANCE:

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

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

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

- A. **You** MUST use all reasonable means to protect **Your Vehicle** from further damage. Example: Activated warning lights, such as oil or temperature lights in the dashboard, indicate that **You** should stop operating **Your Vehicle** immediately. If **Your Vehicle** is disabled, or if it is unsafe to continue to drive **Your Vehicle**, **You** may wish to arrange for towing.
- B. **You** MUST have the repair facility contact **Us** immediately after the **Vehicle** is brought in for service, and again when a cause of failure and **Repair Cost** is determined during **Our** normal business hours (Monday through Friday, 8:00 a.m. - 7:00 p.m., and Saturday 8:00 a.m. - 2:00 p.m., Central Time). It is **Your** responsibility to authorize the repair facility to perform any diagnosis or teardown that is necessary to determine the cause of failure and **Repair Cost**. National Claims Service toll-free number is **1-800-654-8455**.
- C. **We** may require inspections of the **Vehicle** to verify the reported cause of failure and extent of the damage.
- D. **You** MUST NOT authorize repairs until **We** verify that the **Mechanical Breakdown** is covered by this Contract and **We** have issued an approval number. **Maintenance Records** may be requested from **You** before an approval number can be issued.
- E. If payment for an authorized claim is not made to an authorized repair facility, **We** will reimburse **You** directly. To receive reimbursement of **Your** authorized claim, please mail a copy of the paid receipt itemizing the charges **You** paid. The receipt must also include **Your** signature, the date of repair, the odometer reading, the **Prior Authorization** number, **Your** telephone number, Vehicle Identification Number, and the identity of the repairer. **You** are responsible for any expenses that are not covered by this Contract, including the **Deductible**.
- F. **Documents requesting reimbursement for **Your** authorized claim must be received within 180 days of the date **We** provided the approval number. If the required documentation is not received within that time, **Your** claim will be denied.**

**3. EMERGENCY REPAIRS:** A **Mechanical Breakdown** may occur that is unexpected, and is of a serious and urgent nature which renders the **Vehicle** inoperable or unsafe to operate during a weekend or after **Our** normal business hours (Monday through Friday, 8:00 a.m. - 7:00 p.m., and Saturday 8:00 a.m. - 2:00 p.m., Central Time). In this case, if **You** are unable to reach **Us** to obtain **Prior Authorization** before repairs are fully completed, **You** may, at **Your** own discretion, wish to authorize the necessary emergency repairs. However, **if any portion of the repairs is being performed during **Our** normal business hours, **You** must have the repair facility contact **Us** as soon as our normal business hours commence and prior to the repairs being completed, or **Your** claim may be denied. **You** are responsible for all expenses and **Repair Costs** if it is determined that the **Mechanical Breakdown** does not qualify as an **Emergency Repair** as defined by this Contract.**

In the case of "Emergency Repairs", complete the Emergency Claim Reimbursement Form and mail it to Mercury Select Management Company, Inc., (P.O. Box 728866, Oklahoma City, OK 73172-8866) within 30 days of the date of repair, and include all

original paid receipts, **Maintenance Records**, **Your** Contract number, telephone number, and an explanation of the circumstances surrounding the failure. **Your** Emergency Repairs claim will be processed according to the terms and conditions of this Contract. **We** will contact **You** if additional information is needed. If **We** do not receive the required documentation within 30 days of the date of repair, **Your** claim may be denied.

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## SECTION V. GENERAL PROVISIONS

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

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

7. **Cancellation:** **You** may cancel this Contract by mailing to **Us** within 30 days of the date **You** wish to cancel: 1) this Contract, 2) a signed cancellation request stating the date of cancellation, and 3) a certified odometer statement. If **You** cancel within sixty (60) days of purchase and no claims have been paid, **We** will refund the total charge **You** paid for this Contract and this Contract will be considered void. If **You** cancel within sixty (60) days of purchase and had a claim during that period, or **You** cancel after the expiration of sixty (60) days of purchase, **Your** refund will be prorated based upon the amount **You** paid for this Contract and the number of days or odometer miles this Contract has been in force, in relation to the time and mileage terms of this Contract, whichever refund amount is less. If **You** cancel this Contract after it has been in force for sixty (60) days, a \$25.00 cancellation fee will be withheld from any refund made.

After sixty (60) days from the date of sale if **We** have not determined that **Your Vehicle** qualifies for coverage according to **Our** guidelines, **Your Vehicle** will be deemed to be qualified for coverage and **We** may only cancel this Contract for any of the following reasons: repossession or total loss of **Your Vehicle**; **Your Vehicle's** odometer has been altered or is inoperable anytime during the term of this Contract; **Your Vehicle** has been altered or modified as set out in Section III, paragraph 7.E. herein, or used as set out in Section III, paragraph 7.C.; material misrepresentation or fraud by **You** at any time relating to this Contract; nonpayment of fees; or **Commercial Use** of **Your Vehicle** except as allowed in this Contract, by mailing to **You**, at least twenty one (21) days prior to the cancellation date, at the address shown in the Declarations, written notice stating the reason for the cancellation, when the cancellation is effective and the amount of refund due, if any. The refund will be pro-rated based on the amount paid by **You** for this Contract and the number of days this Contract has been in force, or odometer miles, in relation to the term of this Contract, whichever refund amount is less. If **Your Vehicle** is repossessed or deemed a total loss, the Lender will be the sole payee of any refund, and such refund shall constitute refund to **You**.

**Mercury Select Management Company, Inc. is 100% insured for Mechanical Breakdown under Your Contract by a service contract reimbursement insurance policy (Policy No. 074100-WA) issued by American Mercury Insurance Company, P.O. Box 728866, Oklahoma City, OK, 73172-8866, 1-800-654-8455. You may make a claim directly with American Mercury Insurance Company at any time by contacting it at P. O. Box 7228866, Oklahoma City, OK, 73172-8866, 1-800-654-8455.**

**NATIONAL CLAIMS SERVICE**

**1-800-654-8455**



ISSUED BY:

MERCURY SELECT MANAGEMENT COMPANY, INC.

P.O. Box 728866

Oklahoma City, OK 73132-8866

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

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