

Vehicle Service Contract, and the Contract Holder chooses not to participate in a difference of cost, then the Administrator reserves the right to assist the dealer in either supplying the covered part(s) to complete the repair, or assisting the dealer in locating an alternative repair source.



Submitting the Claim

For claims given a Reference Number with a repair cost agreed upon between the Repair facility and the Administrator:

1. Write the Reference Number, Vehicle Service Contract Number and Registered Claim Amount on a legible copy of the Repair Order signed by the Contract Holder. Payment cannot be processed if the Reference Number and Contract Number are not reported and/or the Repair Order cannot be read.
2. Attach copies of all applicable bills to your Repair Order.
3. Send a copy of any Maintenance receipts, if requested.
4. Include receipts for Car Rental and/or Towing.
5. Collect the applicable Deductible (if any) as shown on the Registration Page from the Contract Holder.
6. Registered claims must be submitted within sixty (60) days from the time of failure.

E. Optional Claims Reporting Procedure

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

F. Claim Payment

The Administrator will submit payment for registered repairs and claim amounts upon receipt and verification of your Repair Order and any other required documentation. Upon receipt of these items, claim payment will be made as follows:

1. Your full labor rate as allowed for the repair in any of the most current approved national labor manuals (Chilton, Mitchell, Motors or Factory), and manufacturer's suggested retail list for parts (except as noted in section C.) will be paid.
2. Administrator reserves the right to assist the Repair Facility in supplying parts when the price of a part available through the Seller is in excess of reasonable costs and/or to provide a repair of like kind of quality.

Assistance in supplying parts will be limited to the following assemblies:

Engines

Transmissions, Drive Axle, Transfer Case

Steering Racks / Gear Boxes

A/C Compressors

Superchargers

Turbochargers

3. Car Rental will be paid at the rate of one day's rental, (in accordance with the amount shown in the Vehicle Service Contract), for each 8 hours or portion thereof, of shop time required to complete the repairs. Shop time is the time listed in one of the aforementioned national labor manuals used by the Repair Facility.

A separate Rental Agreement from a licensed rental facility, signed by the Contract Holder, must be submitted.

NOTE: If Rental Benefits apply, three days parts delay coverage will be allowed for an internal repair or replacement of a major component (engine, transmission, drive axle assembly).

4. Towing charges, if any, will be paid in accordance with the amount shown in the Vehicle Service Contract, per occurrence.

G. Method of Payment

The Administrator will mail the insurance company's claim payment check directly to the Repair Facility..

In the event that repairs are made away from the original Seller by a facility that will not accept reimbursement by mail, payment will be made by a national Visa account, with approval from the Administrator and upon receipt of the Repair Order by the Administrator.

If you have any questions understanding eligibility, please call (800) 330-9234.

If you have not seen an agent or need supplies... call (800) 330-9234.

Essential PROCEDURE MANUAL

I. VEHICLE ELIGIBILITY REQUIREMENTS

To qualify for an Essential Vehicle Service Contract, a vehicle must meet all of the following eligibility requirements:

1. The vehicle must be manufactured by one of the manufacturers listed in one of the two (2) Vehicle Class shown in the Vehicle Class Guide. Any Manufacturer not listed, or any Vehicle listed in the **INELIGIBLE VEHICLES** section is **NOT** eligible for coverage.
2. The vehicle must be of the current or twenty (20) previous model years. January 1st shall be considered the model year change for determining eligibility. Vehicle classification and odometer mileage at time of the Service Contract sale determines the program and plan eligibility.
3. Any vehicle that meets any of the following is NOT eligible for coverage: (a) registered and/or used for a commercial purpose; (b) used or equipped for livery, delivery, or emergency purposes; (c) used for competitive driving, racing or contest of speed; (d) used principally for off-road use; (e) used to plow snow or pull a trailer, boat or other vehicle (unless the Vehicle is equipped with a tow package that meets or exceeds the Vehicle Manufacturer's towing package specifications); (f) altered or modified in a fashion not recommended by the Manufacturer (including but not limited to removal of emissions control equipment, oversized tires, suspension kits, lift kits, etc.).
4. Vehicles with odometers that are broken and/or the correct mileage cannot be determined and verified by Old Republic Insured Automotive Services, Inc., are NOT eligible.
5. All trucks or vans are limited to 10,000 pound G.V.W. (Gross Vehicle Weight).
6. Vehicles that are "Gray" market, have ever been declared a total loss, salvaged, or on which the title has been branded are NOT eligible.
7. All covered components must be functioning at the time of sale of the Vehicle and the Vehicle Service Contract. Pre-Existing Conditions are NOT covered.
8. Oil and filter MUST have been changed and other fluids maintained or changed as necessary prior to the sale of the Vehicle.
9. The Service Contract must be purchased at the time the Vehicle is purchased. The Vehicle must NOT have been sold to the purchaser by another seller or private party.
10. Coverage for all Plans begins on the Contract Purchase Date and the mileage on the odometer at the Contract Purchase Date.

Coverage expires when the Term selected is reached or the Vehicle registers the additional miles of the Plan selected, whichever comes first.

ESSENTIAL VEHICLE SERVICE CONTRACT EXPIRATION IS MEASURED IN TIME/MILEAGE FROM THE CONTRACT PURCHASE DATE AND ODOMETER MILEAGE (AT CONTRACT PURCHASE DATE).

IF THERE IS ANY QUESTION ABOUT THE ELIGIBILITY OF A VEHICLE, CALL (800) 330-9234.

II. DEDUCTIBLE

All Essential Plans carry a \$100 Per Visit Deductible.

III. RATING

We have provided a comprehensive, easy-to-use Rate Chart and Vehicle Class Listing and Surcharge Matrix for your convenience. The Vehicle Class Listing and Surcharge Matrix contains a list of all eligible vehicle models, brief plan descriptions, plan codes and rates (Net Cost) including Deductible information, and applicable surcharges appear on the Rate Chart.

Vehicle classifications and rates change from time to time; so each new Rate Chart will replace the previous edition. All Charts will show the effective date.

A. Rates and Vehicle Class Listings

There are two (2) vehicle class listings from which to select coverage, term and cost. Match the Vehicle Class to the Coverage, Plan Term, together with any surcharge, to obtain your cost.

IX. CLAIMS, con't.

of the Contract Registration Page), or the Contract Holder's complete Name and Address and the Name of the Selling Seller/Lessor.

2. Verify time and mileage limits to ensure that the Vehicle Service Contract is still in force, and that the vehicle in for repairs is the one covered by the Contract. If the Contract has expired, please advise the Contract Holder accordingly.
3. Confirm that the required maintenance has been performed by reviewing the maintenance records or receipts provided by the Contract Holder.
4. Advise the Contract Holder that your collection of the above data and evaluation of the cause of mechanical failure does not necessarily mean the claim will be paid/covered by the Vehicle Service Contract. Such determinations are made by qualified, trained Claims Adjusters.

B. Reporting

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

1. Verify customer's complaint, assess the cause, the cure and the cost.
NOTE: Any major component failure that has a verifiable complaint, i.e., slipping transmission, knocking engine, etc., should be called in prior to any teardown.
2. Call the Administrator at the telephone number listed below **to initiate a claim:**

Claims (800) 354-3953

See Section E for optional claims submission

3. Report the Vehicle Service Contract Number, complete Name, Address, and phone number of the Contract Holder, and/or the name of Selling Seller/Lessor, **PLUS the customer's complaint, cause, cure and cost of repair.** The registered claim amount is the maximum amount that will be paid on the claim when submitted; any changes in repair amounts must be registered with the Administrator, prior to submitting the claim for payment.

The Administrator's Claims Adjuster will verify coverage and either:

1. Register the claim, issuing a Reference Number (which must be entered on all copies of the Repair Order); or,
2. Request further evaluation: Teardown (see Note below) or outside inspection; or,

NOTE: Teardown Policy- the Administrator may request that a component be torn down before issuing a Reference Number. The Contract Holder must be advised that, if after the component is disassembled, it is determined that the cause or failure is not covered, the Contract Holder must pay the expense of the teardown. The Contract Holder must authorize tear down if teardown is requested.

3. Deny the claim and issue a Reference Number.

C. Vehicle Inspection

The Administrator reserves the right to inspect any vehicle at the time of breakdown. Any repairs that are completed without allowing the Administrator an opportunity to inspect, will not be covered.

Should the Administrator request an outside inspection:

1. Immediately stop any repairs being performed. (Do not complete the repairs.) Should further tear down be necessary, discuss with the Administrator and obtain approval from the Customer to perform enough tear-down to verify all failed parts.
2. Save all components that need to be inspected, including fluids and filters.
3. The Administrator will make arrangements for the inspection.
4. If the inspector does not visit within 48 hours, call the Administrator.
5. Upon completion of the inspection, the Administrator's Claims Adjuster will issue a final disposition.
Cost – if dealer repair cost exceeds the reasonable cost, or the like, kind and quality provision of the

VIII. CANCELLATION, cont.

E. Basis of Cancellation

1. A cancellation initiated by the Seller/Lessor or the Contract Holder, within sixty (60) days of the Contract issue date, will be calculated as a flat cancellation, unless there has been a claim.
2. If the Contract is cancelled after the first sixty (60) days or a claim has been filed, we will refund an amount of the Contract charge according to the pro rata method reflecting the greater of the days in force or the miles driven based on the terms of the plan selected and the date Coverage begins, less a fifty dollar (\$50.00) cancellation fee, unless state law requires otherwise. Contract holder will receive cancellation refund from seller.

F. Payment

All refunds will be made directly to the Seller/Lessor, the person authorized by the Seller/Lessor, or, if the Vehicle Service Contract was financed along with the vehicle, the Lienholder will be named on a cancellation refund check as their interest may appear.

G. Calculation

Only the Customer Service Representative can calculate amounts due on Vehicle Service Contract cancellations. Please call (800) 330-9234 for all calculations. Be prepared to provide the following Contract information (items a. through i.):

- Contract Number
- Customer Name
- Effective Date
- Effective Mileage
- Term – Time / Mileage
- Date of Cancellation
- Mileage at time of Cancellation
- Reason for Cancellation
- Your Seller/Dealer Account Number

The cancellation percentage (less cancellation fee) will be supplied to you by your Customer Service Representative. The effective date of the cancellation quote must be within 45 days of the date of request except in the case of repossession, stolen or totaled vehicles.

H. Reporting

Upon receipt of confirmation of the cancellation (completed cancellation request form, letter from customer, letter from Seller/Lessor, and any supporting documentation), the refund will be confirmed.

FOR ASSISTANCE IN CALCULATING ANY AND ALL CANCELLATIONS, CALL 800-330-9234.

IX. CLAIMS

The Vehicle Service Contract program utilizes a claims reporting and payment system that is outlined in every Vehicle Service Contract. To process a claim, simply refer to the Contract to find complete instructions for the Customer and for the Service Manager.

The aspects of the Claims System that apply to a Repair Facility are outlined in this section of the Procedure Manual.

All claims MUST be registered with the Administrator prior to the commencing of any repair to the vehicle. The maximum that will be paid for any claim will be the amount registered by the Administrator.

In the case where a claim occurs at the Selling dealership, prior to the receipt of any given Contract and payment thereof, the Administrator will register a claim. However, final approval will be made upon receipt and acceptance of the Contract. If the claim occurs at a third party repair facility, a copy of the customer's Registration Page should be faxed to the Administrator as proof of purchase. The repair facility will be paid directly via Administrator check or national credit card.

A. Coverage Verification

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

1. Secure a copy of the Vehicle Service Contract and note the Contract Number (located at the top, left-hand side

If the vehicle is One Ton, Diesel, Four Wheel Drive/All Wheel Drive, or Turbo/Supercharger; and/or if your customer chooses the optional Seals and Gaskets 80,000 to 100,000 miles only) coverage, the applicable box must be marked on the Registration Page and the surcharge(s) must be paid in order for the Vehicle Service Contract to be valid.

B. Seller Cost

All rates contained in the Rate Chart represent Seller Cost. No profit has been added. The retail rate you charge your customer is determined at your discretion.

NOTE: This does not apply to Florida sellers.

IV. ISSUING VEHICLE SERVICE CONTRACT

A. Completing the Registration Page

In order to process the Vehicle Service Contract and provide complete administrative services, it is mandatory that ALL information be completed on the Registration Page.

Verify the following areas of the Registration Page have been properly filled out:

- ◆ **Coverage and Terms** – verify that **Coverage** (Vital, Prime or Optimum) and **Terms** (12/12, 24/24, 36/36, or 48/48) are marked on Registration Page.
- ◆ **Vehicle ID Number** – verify that the complete VIN is provided. If the complete VIN is not provided, the Contract will go on error and claims (if any) will be delayed.
- ◆ **Mandatory Surcharges** - all mandatory surcharges (4WD/AWD, Diesel or One Ton) must be marked and surcharge amount remitted.
- ◆ **Odometer Mileage at Contract Purchase Date** – mileage on the vehicle at Contract Purchase Date must be given for all Contracts and/or plans.
- ◆ **Customer's Signature** – the customer must sign the Registration Page. If the customer's signature is on file, you must provide documentation, with the customer's signature, acknowledging customer's purchase of the Vehicle Service Contract.
- ◆ **Lienholder** – Lienholder information is needed only if the Vehicle Service Contract has been included in the finance amount of the vehicle.

B. Attaching the Registration Page to the Vehicle Service Contract

Once the Registration Page is completed, the customer's copy (see distribution below) should be attached to the front cover of the Vehicle Service Contract. We have provided an adhesive strip for attaching the Registration Page. The customer's Vehicle Service Contract is not valid unless the Registration Page is attached to the Vehicle Service Contract.

C. Distribution

The Registration Page is a four-part NCR form. When completed, it is to be distributed as follows:

Original White Copy (along with transmittal and payment)	Mail to: 268 Christian Church Road Johnson City, TN 37615
Green Copy	Seller Copy
Pink Copy	Lienholder Copy
Canary Copy	Customer Copy

Original Copies

Mail the original copies weekly with your remittance. It is important that all Vehicle Service Contract sales be reported promptly, as no claim payments will be made on any claim until the Administrator has received copies of the fully-completed, paid Contract.

Contracts received over 90 days from the written date will have a late fee assessed.

Contracts received over 180 days from the written date cannot be accepted.

V. REPORTING VEHICLE SERVICE CONTRACT SALES

The Vehicle Service Contracts are field issue, not applications. It is important that all Contract sales be reported promptly and regularly as delays in reporting will delay the handling of customer's claims. **The instructions that follow should be made available to all personnel involved with processing Vehicle Service Contract sales.**

A. Pre-Numbered Registration Pages

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

B. Reporting to the Administrator

The white/original copy of the Registration Page is the Administrator's copy. The Registration Page(s) should be attached to a transmittal form (available from your Agent) and forwarded to:

ORIAS c/o VPP
268 Christian Church Road
Johnson City, TN 37615

Important Note: All Vehicle Service Contract Registration Page(s) must be submitted to the Administrator, within ten (10) days of the Contract sale date. The Administrator reserves the right to refuse any Contracts submitted after this time.

VI. REMITTANCE

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

A. Report and Remit (R&R)

- New Business – Throughout the month you will submit Contract Registration Page(s) with a transmittal form and payment for the amount due. The transmittal form and your payment must accompany business submitted. Transmittal forms can be obtained from your agent.
- Cancellations/adjustments – Cancellation and adjustment requests should be submitted weekly separate and apart from new business. **DO NOT** deduct cancellations or adjustments from your remittances for new business. The Administrator shall promptly process these requests and a credit/check will be issued.

Important Note: Any Vehicle Service Contract Registration Page(s) that are returned for corrections (i.e. over mileage, incorrect form, etc.), must be rewritten or corrected and resubmitted within fifteen (15) days from the date the Contract was returned. The Administrator reserves the right to refuse Contracts resubmitted after this time.

It is the Seller's responsibility to notify the Contract Holder of any changes/correction to their Vehicle Service Contract Registration Page, or if the Contract is rewritten, to give the Contract Holder a copy of the new Contract Registration Page.

B. Payment

Payment for Vehicle Service Contracts are to be made in full upon submission of Vehicle Service Contract business.

No claim payments will be advanced on behalf of any Vehicle Service Contract which has not been paid in full. Any Vehicle Service Contract submitted without proper payment will be returned.

If a payment is not received within sixty-five (65) days from the Contract purchase date, the unpaid Vehicle Service Contract(s) will be cancelled and the Contract Holder(s) will be notified that you have failed to pay the reimbursement insurance policy premium and administrative fees for their Contract and that in the event of a claim, they should contact you.

**ALL CHECKS SHOULD BE MADE PAYABLE TO ORIAS AND MAILED TO:
268 CHRISTIAN CHURCH ROAD, JOHNSON CITY, TN 37615.**

VII. TRANSFER

A. Conditions of Transfer

The Vehicle Service Contract may be transferred as long as the title transfer passes from the original Contract Holder to a subsequent buyer, (See B. 3. below), and only if all of the following conditions are met:

- Some coverage, time and mileage, remains on the Vehicle Service Contract.
- Transfer is made within thirty (30) days of the change in ownership.
- All maintenance records are up-to-date as described in the Provisions section of the Vehicle Service Contract.
- A completed Transfer Form and the Bill of Sale confirming the vehicle's resale are submitted.
- The vehicle is not transferred to or by an individual or entity in the business of selling automobiles.
- The balance of ANY original Full Manufacturer's Warranty **must** be transferred at the same time.

B. Important Provisions

All transfers require a \$75.00 Transfer Fee payable to the Administrator (unless state laws provide otherwise). Upon receipt of the Transfer Form, applicable fee and maintenance records as described in the Vehicle Service Contract, a Transfer Verification Letter will be issued to the new owner of the vehicle.

VIII. CANCELLATION

The rules pertaining to cancellation of a Vehicle Service Contract have generally been set by financial institutions advancing money to finance the Vehicle Service Contract. The rules and conditions governing cancellation are set forth in the Vehicle Service Contract and below. The Seller/Lessor is always responsible for the portion of the refund containing the Seller/Lessor profit.

NOTE: Any refund due will be calculated less a fifty dollar (\$50.00) cancellation fee, unless state laws provide otherwise.

A. Contract Holder Cancellation

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

- Returning to the Seller/Lessor to complete and sign the cancellation forms.
- Mailing written notice to the Seller/Lessor of the desire to cancel the Contract.

In either instance above, the request must be accompanied by an odometer statement indicating the odometer reading at the date of request. The request for cancellation must be made within **forty-five (45) days** of the date that the cancellation is to become effective, (except in the case of repossession, stolen or totaled vehicles. The Administrator may request supporting documentation from the primary insurance company or police reports indicating dates and mileage at time of incident).

B. Seller/Lessor Cancellation

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

- The car is a total loss or is repossessed.
- The odometer is disconnected or altered.
- The car is used in a manner not covered by the Contract.
- The charge for the Contract is not paid.

C. Lienholder Cancellation

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

D. Administrative Cancellation

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