

Policy #

<b>VEHICLE</b>	
Year, Make, Model, VIN	
Current Mileage	Vehicle Code

<b>INSURED</b>		
Name		
Address, City, State, ZIP		
Phone Cell	Home	Email

<b>PRODUCER</b>	
Name	Producer Number
Address, City, State, ZIP	
Phone	Producer Representative

<b>MONTHLY MECHANICAL BREAKDOWN INSURANCE POLICY INFORMATION</b>	
Coverage Plan	Effective Date
Deductible	Monthly Insurance Premium
Policy Term	Sales Tax (if applicable)
Purchase Date	Total
<b>Your Monthly Insurance Premium is due on the _____ of each month.</b>	

**THIS MONTHLY MECHANICAL BREAKDOWN INSURANCE POLICY ("MONTHLY POLICY") DOES NOT PROVIDE BODILY INJURY AND PROPERTY DAMAGE LIABILITY INSURANCE. IT DOES NOT COMPLY WITH ANY FINANCIAL RESPONSIBILITY LAW OR ANY OTHER LAW MANDATING MOTOR VEHICLE INSURANCE COVERAGE.**

Provided the Monthly Insurance Premium is received within 15 days of the due date each month, this Monthly Policy will continue for the original Insured and Vehicle shown above up to a maximum of 36 months from the Effective Date, unless canceled in writing by You or Us.

**Notice to Insured:**

- Coverage under section IV. Additional Benefits begins on the Purchase Date shown above.
- Coverage under section III. Schedule of Coverage begins on the first Effective Date or when 1,000 miles from the Current Mileage are registered on Your Vehicle's odometer, whichever occurs later.
- The purchase of this Monthly Policy is not required to obtain financing or to purchase or lease this Vehicle.
- You are required to obtain authorization prior to beginning any repairs covered by this Monthly Policy. Refer to section VII. What To Do If Repairs Are Needed and section VIII. Your Responsibilities for instructions.
- You must follow the maintenance procedures listed in section VIII. Your Responsibilities. If Your failure to follow the procedures causes a Breakdown, You may be denied coverage.
- The benefits provided under automotive retailer Warranties required by state law are not covered by this Monthly Policy.
- This Monthly Policy runs concurrent with, and is secondary to, any applicable manufacturer's Warranty.
- If the manufacturer's Warranty is void at the Purchase Date or becomes void during the Policy Term, We will not automatically suspend all coverage. We will not provide any coverage that would have otherwise been provided under the manufacturer's Warranty, until the full term of the manufacturer's Warranty elapses. However, We will continue to provide any other coverage under this Monthly Policy, unless such coverage is otherwise excluded by the terms of this Monthly Policy.

I (Insured), whose signature appears below, acknowledge that the information contained above is true and accurate. I have read the terms and conditions, understand and agree to all the provisions herein.

\_\_\_\_\_  
 Insured Signature

<b>Insurer and Administrator</b> Virginia Surety Company, Inc. 175 West Jackson Blvd., Chicago, Illinois 60604, 1-800-752-6265	<b>For Emergency Roadside Assistance:</b> Toll-free 1-866-603-5420  <b>To File a Claim:</b> Visit us at <a href="http://www.mrclaims.net">www.mrclaims.net</a> or Toll-free 1-800-752-6265
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# MONTHLY MECHANICAL BREAKDOWN INSURANCE POLICY

This Monthly Policy describes the coverage. In return for payment by **You** of the **Monthly Insurance Premiums**, **We** agree to provide the insurance described in this Monthly Policy. This Monthly Policy is between **Us** and **You** and is subject to all the terms and conditions contained herein.

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## I. KEY TERMS

When used, Key Terms will appear in bold print and initial upper case.

**"We", "Us", "Our"** and **"Insurer"** mean Virginia Surety Company, Inc., 175 West Jackson Blvd., Chicago, Illinois 60604, 1-800-752-6265.

**"Administrator"** mean Virginia Surety Company, Inc., 175 West Jackson Blvd., Chicago, Illinois 60604, 1-800-752-6265.

**"Breakdown"** means the failure of any original or like replacement part covered by this Monthly Policy to perform its intended function(s) in normal service, providing it has received all scheduled maintenance, at the proper intervals, as recommended by the manufacturer in the Owner's Manual. **Breakdown** does not include the gradual reduction in operating performance caused by wear and tear where a failure has not occurred.

**"Commercial Purposes"** means **Your Vehicle** is used for commercial purposes including but not limited to: hauling, construction work, principal off-road use, pickup and/or delivery service, daily rentals, carry passengers for hire (taxi, limousine or shuttle services), towing or road service operations, government/military use, law enforcement, fire, ambulance or other emergency services, snowplowing, company pool use or business travel when the **Vehicle** is used by more than one driver.

**"Cost"** means the reasonable and customary charges for parts and labor necessary to repair or replace the parts covered. These charges shall not exceed the manufacturer's suggested retail price for parts and labor allowances derived from nationally recognized labor time publications.

**"Deductible"** means the amount **You** must pay for covered repairs per visit shown on the Face Page.

**"Effective Date"** means one month after the **Purchase Date** (the first **Effective Date**) and will mean the same date each month thereafter upon receipt of the **Monthly Insurance Premium** (any **Effective Date**). Coverage will begin under Section III on the later of the first **Effective Date** or when 1,000 miles from the Current Mileage are registered on **Your Vehicle's** odometer, whichever occurs later.

**"Monthly Insurance Premium"** means the amount shown on the Face Page that **You** will be charged on the date shown on the Face Page each month. **You** will be charged on the same day of the month as the Monthly Policy **Purchase Date**. If **Your Monthly Insurance Premium** is paid in full within 15 days of the due date, coverage will continue.

**"Producer"** means the party who sold **You** this Monthly Policy shown on the Face Page.

**"Purchase Date"** means the date **You** purchased this Monthly Policy shown on the Face Page and is the date in which coverage begins under Section IV. Additional Benefits.

**"Repair Facility"** means a franchised automobile dealer or licensed repair facility that provides a written parts and labor guarantee for covered repairs of not less than 12 months and 12,000 miles. **We** must approve any proposed repairs prior to beginning repairs.

**"Vehicle"** means the vehicle shown on the Face Page.

**"Warranty"** means any **Warranty** of the manufacturer, state required **Warranty**, automotive retailer **Warranty** or a **Repair Facility** guarantee.

**"Worn"** means a condition in which a component is either unsafe or unable to be operated during normal usage. A worn condition may occur through gradual reduction in operating performance caused by wear and tear.

**"You", "Your"** and **"Insurer"** mean the Insured shown on the Face Page or an eligible person to whom this Monthly Policy has been properly transferred.

## II. POLICY PROVISIONS

### A. Policy Term

The Policy Term is one month. This Monthly Policy begins and **You** are eligible for benefits under Section III. Additional Benefits on the **Purchase Date**. This Monthly Policy ends the earliest of the following to occur: (a) the date one month following the **Effective Date**; (b) on the date canceled by **You** or **Us**; or (c) the date **You** fail to pay **Your Monthly Insurance Premium** within 15 days of any due date.

If **Your** Monthly Policy has ended according to subsection (a) above, it can continue upon the payment of the **Monthly Insurance Premium**. If **Your** Monthly Policy has ended according to subsections (b) or (c) above or 36 **Monthly Insurance Premiums** have been received in connection with this Monthly Policy, it cannot be continued. However, **You** may be eligible to purchase a new monthly policy.

### B. Coverage

The Coverage Plan **You** selected for **Your Vehicle** is fully described in this Monthly Policy under Schedule of Coverage section.

### C. Covered Parts and Labor

During the Policy Term and subject to the indicated Coverage Plan, **We** will pay a **Repair Facility**, or at **Our** option, reimburse **You** the **Cost** to fix any covered **Breakdown** of the parts listed in the Schedule of Coverage section less **Your Deductible**. **We may use replacement parts in covered repairs that may include new, remanufactured, pre-owned or non-original equipment manufacturer parts.**

### D. Deductible

In the event of a **Breakdown**, **You** may be required to pay a **Deductible**. Any **Deductible** amount will be applied on a per visit basis. Additional Benefits do not have a **Deductible**.

### E. Territory

This Monthly Policy applies only to **Breakdowns** occurring within the continental United States of America, Alaska, Hawaii and Canada.

### F. Limit of Liability

**Our** limit of liability is the **Cost** to repair or replace any covered **Breakdown**. In no event shall this **Cost** exceed the average retail value of **Your Vehicle** as determined by the NADA (Official Used Car Guide) at the time of **Breakdown**.

### G. Our Right To Recover Payment

If **We** pay for a **Loss**, **You** agree to assign to **Us Your** rights of recovery against others. **We** will not pay for a **Breakdown** if **You** impair **Our** rights to recover. **Your** rights to recover from others may not be waived.

## III. SCHEDULE OF COVERAGE

### SILVER COVERAGE

When the SILVER Coverage Plan has been purchased as indicated on the Face Page, only the following parts are covered. Parts not listed are not covered.

#### Assembly Parts Covered

**1. ENGINE Gasoline Engine** – Cylinder block and all internal lubricated parts including: crankshaft, rod and main bearings, cam bearings, expansion (freeze) plugs, connecting rods, wrist pins, pistons, piston rings, camshaft, cam tower, lifters, cylinder head, valves and guides, valve springs, rocker arms (cam followers), pushrods, timing chain housing (cover), timing chain and sprockets, timing belt and pulleys, timing belt tensioner, intake and exhaust manifolds, flywheel, balance shafts, harmonic balancer and retainer bolt, crankshaft pulley, valve covers, oil pan, oil pump and pressure relief valve, engine oil cooler hoses, oil filter adapter/housing, engine oil sending unit, engine mounts, water pump, temperature sending unit, thermostat and housing, fuel supply pump, vacuum pump, dipstick and tube, fasteners for the components listed above.

**Turbocharged/Supercharged/Rotary/Diesel/Enhanced Engines** – All of the above listed parts or equivalent plus: turbocharger, waste gate controller, intercooler, hard lines, compressor, clutch and pulley, bypass valve, injection pump, lines and nozzles.

**2. TRANSMISSION Automatic** – Case and all internal lubricated parts including: oil pump, valve body, torque converter, vacuum modulator, governor, main shaft, clutches, bands, drums, gear sets, bearings, bushings, sealing rings, TV cable, solenoids, electronic shift control unit, transmission mounts, cooler, cooler hoses and hard lines, dipstick and tube, fasteners for the components listed above.

**Standard** – Case and all internal lubricated parts including: main shaft, gear sets, shift forks, synchronizers, bearings, bushings, fasteners for the components listed above.

**Transfer Case – (4X4 vehicles)** – Case and all internal lubricated parts including: main shaft, gear sets, chain and sprockets, bearings, bushings, mounts, fasteners for the components listed above, electronic and vacuum engagement components.

**3. FRONT WHEEL DRIVE** Final drive housing and all internal parts including: carrier case, gear sets, chain and sprockets, bearings, bushings, axle shafts, universal joints, front hub bearings, rear hub bearings, locking hub assemblies (4X4), drive shaft support, fasteners for the components listed above.

**4. REAR WHEEL DRIVE** Drive axle housing and all internal lubricated parts including: carrier case, gear sets, bearings, bushings, limited slip clutch pack, axle shafts, front hub bearings, rear hub bearings, propeller shafts, universal joints, drive shaft support, fasteners for the components listed above.

**5. STEERING** Housing/case and all internal lubricated parts including: rack and pinion equipped valve assembly, sector shaft, rack mounts and cushions, inner rod ends and bellows boots, speed sensor or steering gear equipped pitman shaft and valve assembly, sealing rings, bearings, bushings, pitman arm, center link, tie rods, idler arm, power steering pump and pulley, electric power steering motor, fluid reservoir, pressure and return hoses, cooler and hard lines, power cylinder assembly, steering main and intermediate shafts, coupling, fasteners for the components listed above. (Does not include “rear wheel steering” components.)

**6. FRONT SUSPENSION** Upper and lower control arms, bump stop cushions, control arm shafts, torsion bar mounts and bushings, upper and lower ball joints including dust boots, steering knuckle (spindle), wheel bearings and seals, stabilizer shaft, stabilizer linkage including mounts and bushings, strut rods and bushings, king pins, fasteners for the components listed above.

**7. BRAKES** Master cylinder, assist booster, wheel cylinders, combination valve, disc brake calipers (and rear caliper actuators), hard lines and fittings, backing plates, springs, clips and retainers, self-adjusters, parking brake linkage and cables, fasteners for the components listed above.

- 8. ELECTRICAL** Alternator, voltage regulator, front and rear windshield wiper motors and delay controller, starter motor and drive, starter solenoid, wiring harnesses, manually operated switches (specifically turn signal, headlight, dimmer, and wiper switches), mechanically actuated switches (ignition, brake light and neutral safety switch), electronic fuel injection system (including all input/sensors & output/control units, except EGR valve, related to the fuel injection system), electronic ignition module, distributor and coil, engine management control unit, knock sensor and oxygen sensor.
- 9. AIR CONDITIONING** Compressor and mounting brackets, clutch and pulley, condenser, evaporator, orifice tube, accumulator, temperature control programmer, high/low pressure cutoff switches, high/low pressure hoses, pressure cycling switch, thermostat, drier, temperature control head, fasteners for the components listed above and freon-refrigerant if necessary in conjunction with the repair of the components listed above.
- 10. BASIC HYBRID/ELECTRIC VEHICLE COMPONENTS** Electric motor/generator(s) and all internal components, inverter/converter/transformer units and all internal components, inverter/converter/transformer units cover, continuously variable transmission (CVT) and all internal components, power split device and all internal components, reduction/reducer box and all internal components, and fasteners for the components listed above. Hybrid battery junction block, hybrid battery main battery cable, and electric alternating current compressor.
- 11. MOBILITY EQUIPMENT** Chair lift motors and assemblies, electric/hydraulic ramp controls and assemblies, adjustable seating mechanisms, adjustable pedal and steering control mechanisms, hoist and swing-arm mechanisms.
- 12. SEALS AND GASKETS** All seals and gaskets on the assemblies listed above.

**GOLD COVERAGE**

When the GOLD Coverage Plan has been purchased as indicated on the Face Page, only the following parts, in addition to the parts listed under Silver Coverage, are covered. Parts not listed are not covered.

**13. ADVANCED COMPONENTS** Anti-lock brake system, power seat motor(s) and transmission(s), power window motor(s) and power regulator(s), power door lock actuator(s), digital and analog instrument display(s), low fuel sensor, low coolant sensor, low oil sensor, electronic rear view mirror motor(s), headlight door motor(s), heated back glass, windshield wiper washer pump(s), heater-A/C blower motor, heater core assembly, heater control valve, radiator, radiator fan and clutch, radiator fan motor including fan blade, temperature sensor and relay, fuel tank and hard lines, fuel tank sending unit, power sun roof motor, convertible top motor, constant velocity joints and horn assembly.

**14. ADVANCED HYBRID/ELECTRIC VEHICLE COMPONENTS** Onboard battery charging system, battery charge controller, motor/generator belt tensioner, drive motor dampener, voltage inverter reservoir, three-phase high voltage cables, hydraulic or electric regenerative braking system, onboard computer system including all relays, sensors, ECU & ECM (electronic control units/electronic control modules), power switch/button and controller/electronic throttle control system.

**PLATINUM COVERAGE**

When the PLATINUM Coverage Plan has been purchased as indicated on the Face Page, **We** will remedy any **Breakdown of Your Vehicle** except items listed under the Sections **V. "Maintenance & Parts This Policy Does Not Cover"** and **VI. "Policy Limitations."**

**PLATINUM PLUS COVERAGE**

When the PLATINUM PLUS Coverage Plan has been purchased as indicated on the Face Page, **We** will remedy any **Breakdown of Your Vehicle** except items listed under the Sections **V. Maintenance & Parts This Policy Does Not Cover** and **VI. Policy Limitations.**

**Additional Coverage:**

In addition to the above, parts listed below are covered should they become **Worn** during the Policy Term. Parts not listed are not covered. No **Deductible** applies for the parts listed below, regardless of where repairs are performed. The parts below that are limited to one replacement can only be replaced once during the time period of 36 months from the **Effective Date** of this Monthly Policy.

- **Brake Pad** – One replacement of a set of front and/or rear brake pads. Brake rotors will be replaced in conjunction with the replacement of brake pads if the thickness of the brake rotor is less than the manufacturer’s minimum specification.
- **Battery** – One replacement of a battery or the difference between the manufacturer’s prorated reimbursement and the total cost of the battery (does not include any Lithium-ion or hybrid batteries)
- **Headlamp Bulbs** – Unlimited replacement of the headlamp bulbs. Impact damage is not covered.
- **Belts and Hoses** – Replacement of engine belts and hoses including: vacuum pump belt, serpentine belt, power steering belt, alternator belt, supercharger belt, AIR pump belt, air conditioner belt, water pump belt, heater hose, bypass hose, throttle body hose, upper and lower radiator hoses, air conditioning hose, power steering pressure and return hose, air hose, washer hoses, vacuum hoses, and fuel hoses.
- **Windshield Wiper Blade** – One replacement of a set of front and/or rear windshield wiper blades and/or inserts.
- **Electrical** – Unlimited coverage of fuses, interior and exterior light bulbs including but not limited to: turn signal bulbs, engine compartment lights, running lights, fog lights, stop lights, backup lights, license plate lights, parking lights, trunk light, dome light, courtesy light, visor light, map light, and glove box light. Impact damage is not covered.
- **Wheel Alignment** – One wheel alignment.

**IV. ADDITIONAL BENEFITS**

During the Policy Term and beginning on the **Purchase Date**, **You** are eligible for the benefits shown below.

**A. Emergency Roadside Assistance**

Emergency Roadside Assistance is available 24 hours a day, 365 days a year. **We** will pay for a covered emergency up to \$100 per occurrence with no out-of-pocket expense to **You**. If the covered emergency exceeds \$100 per occurrence, **You** are responsible for that portion that exceeds \$100. **You** are responsible for any non-covered expenses. This benefit is available only for **Your Vehicle**.

The following are covered emergencies under Emergency Roadside Assistance:

- **Towing Assistance** – when **Your Vehicle** is inoperable or unsafe to drive, **Your Vehicle** will be towed to the closest **Repair Facility** or to any other location requested by **You**.
- **Flat Tire Assistance** – service consists of (a) the removal of the flat tire and (b) replacing the flat tire with **Your** spare tire located with **Your Vehicle**.
- **Fuel, Oil, Fluid and Water Delivery Service** – an emergency supply of fuel, oil, fluid and water will be delivered if **Your Vehicle** is in immediate need. **You** will be responsible for the cost of these supplies.
- **Lock-out Assistance** – if **Your** keys are locked inside **Your Vehicle**, assistance will be provided in gaining entry into **Your Vehicle**.
- **Battery Assistance** – if battery failure occurs, a jump-start will be provided to start **Your Vehicle**.

**FOR EMERGENCY ROADSIDE ASSISTANCE**

**CALL TOLL FREE: 1-866-603-5420**

**WE WILL NOT PAY FOR OR COVER THE FOLLOWING UNDER EMERGENCY ROADSIDE ASSISTANCE:**

- A. FOR EMERGENCIES RESULTING FROM THE USE OF INTOXICANTS OR NARCOTICS, OR THE USE OF YOUR VEHICLE IN THE COMMISSION OF A FELONY.
- B. FOR COST OF PARTS, REPLACEMENT KEYS, FLUIDS, LUBRICANTS, FUEL, MATERIALS, ADDITIONAL LABOR RELATED TO TOWING OR COST OF INSTALLATION OF PRODUCTS.
- C. FOR NON-EMERGENCY TOWING OR OTHER NON-EMERGENCY SERVICE.
- D. FOR MOUNTING OR REMOVING OF SNOW TIRES OR CHAINS; WINCHING; EXTRICATION; TIRE REPAIR.
- E. FOR SHOVELING SNOW AROUND YOUR VEHICLE.
- F. FOR CAMPING TRAILERS, TRAVEL TRAILERS, RECREATIONAL VEHICLES (INCLUDING SELF-MOTORIZED RVs) OR ANY VEHICLES IN TOW.
- G. FOR ANY AND ALL TAXES, TOLLS AND/OR FINES.
- H. FOR TOWING FROM OR REPAIR WORK PERFORMED AT A SERVICE STATION, GARAGE OR REPAIR SHOP.
- I. FOR TOWING BY OTHER THAN A LICENSED SERVICE STATION OR GARAGE.
- J. FOR A SECOND TOW FOR THE SAME DISABLEMENT.
- K. FOR MORE THAN ONE DISABLEMENT FOR THE SAME SERVICE TYPE DURING ANY SEVEN DAY PERIOD.
- L. FOR SERVICE ON A VEHICLE THAT IS NOT IN A SAFE CONDITION TO BE TOWED OR SERVICED, OR THAT MAY RESULT IN DAMAGE TO YOUR VEHICLE IF TOWED OR SERVICED.
- M. FOR TOWING OR SERVICE ON ROADS NOT REGULARLY MAINTAINED, SUCH AS SAND BEACHES, OPEN FIELDS, FORESTS AND AREAS DESIGNATED AS NOT PASSABLE DUE TO CONSTRUCTION.
- N. FOR TOWING AT THE DIRECTION OF A LAW ENFORCEMENT OFFICER RELATING TO TRAFFIC OBSTRUCTION, IMPOUNDMENT, ABANDONMENT, ILLEGAL PARKING OR OTHER VIOLATIONS OF LAW.
- O. FOR REPEATED SERVICE CALLS FOR A VEHICLE IN NEED OF ROUTINE MAINTENANCE OR REPAIR.
- P. FOR SERVICE SECURED THROUGH ANY SOURCE OTHER THAN US WITHOUT OUR PRIOR AUTHORIZATION. THIS IS NOT A ROADSIDE ASSISTANCE REIMBURSEMENT SERVICE.

**B. Rental Reimbursement**

We will pay your actual expenses to rent a replacement vehicle from a licensed rental agency if **Your Vehicle** is held by a **Repair Facility** for a covered repair. Rental reimbursement shall not exceed \$35 per day for a maximum of five days for any one **Breakdown**. If a covered repair cannot be completed within the first five days of a rental period due to a parts delay or other reasonable cause, the five-day maximum is extended to ten days. Rental Reimbursement is available beginning on the first day of the covered repair.

**FOR RENTAL REIMBURSEMENT  
CALL TOLL FREE: 1-800-752-6265**

**C. Emergency Travel Expense Reimbursement**

When a covered **Breakdown** renders **Your Vehicle** inoperable or unsafe to drive and requires **Your Vehicle** to be held overnight by a **Repair Facility** for covered repairs while traveling 100 miles or more from **Your** home, **We** will pay for emergency local commercial lodging, meals and transportation expenses up to \$200 per day for a maximum of five days.

**FOR EMERGENCY TRAVEL EXPENSE REIMBURSEMENT  
CALL TOLL FREE: 1-800-752-6265**

**WE WILL NOT PAY FOR OR COVER THE FOLLOWING UNDER EMERGENCY TRAVEL EXPENSE REIMBURSEMENT:**

- A. FOR ADDITIONAL COMMERCIAL LODGING ENTERTAINMENT EXPENSES.
- B. FOR ANY BREAKDOWN THAT OCCURS LESS THAN 100 MILES FROM YOUR HOME.

**D. Manufacturer's Deductible Reimbursement**

We will reimburse **You** for the difference between the **Deductible** amount shown on the Face Page and any required manufacturer's deductible, if applicable, when a **Breakdown** of a covered part occurs and is covered by a manufacturer's **Warranty**.

**FOR MANUFACTURER'S DEDUCTIBLE REIMBURSEMENT, CALL TOLL FREE: 1-800-752-6265**

**IV. MAINTENANCE & PARTS THIS POLICY DOES NOT COVER**

**MAINTENANCE AND PARTS THAT ARE NOT COVERED**

- A. MAINTENANCE NOT COVERED – THE MAINTENANCE SERVICES AND PARTS DESCRIBED IN THE MANUFACTURER'S MAINTENANCE SCHEDULE FOR YOUR VEHICLE. OTHER NORMAL MAINTENANCE SERVICES AND PARTS INCLUDING ENGINE TUNE-UP, (INCLUDES SPARK PLUGS, GLOW PLUGS, IGNITION WIRES, DISTRIBUTOR CAP AND ROTOR), ALL BATTERIES (INCLUDING BUT NOT LIMITED TO: HYBRID/ELECTRIC VEHICLE BATTERIES)\*, FILTERS, LUBRICANTS OR FLUIDS, AIR CONDITIONING REFRIGERANT, ENGINE COOLANT, ALL HOSES AND BELTS (EXCEPT FOR THE FOLLOWING: ENGINE TIMING BELT ONLY IF FAILURE IS PRIOR TO MANUFACTURER'S RECOMMENDED REPLACEMENT, OIL COOLER HOSES, TRANSMISSION COOLER HOSES, POWER STEERING PRESSURE AND RETURN HOSES AND AIR CONDITIONING HIGH/LOW PRESSURE HOSES)\*, WIPER BLADES\*, BRAKE PADS\* AND SHOES, BRAKE ROTORS\* AND DRUMS, SUSPENSION ALIGNMENT.
- B. PARTS NOT COVERED – CONSTANT VELOCITY BOOTS, TIRES, WHEEL COVERS, WHEEL RIMS, WHEELS, WHEEL BALANCING, SHOCK ABSORBERS, SUSPENSION AIR BAGS, EXHAUST SYSTEM, CATALYTIC CONVERTER, FRICTION CLUTCH DISC AND PRESSURE PLATE AND CLUTCH RELEASE BEARING, GLASS, GLASS FRAMEWORK AND FASTENING ADHESIVES, SEALED BEAM HEAD LAMPS\*, LIGHT BULBS\*, LENSES, TRIM, MOLDINGS, BRIGHT METAL, UPHOLSTERY, PAINT, SHEET METAL, BUMPERS, ALIGNMENT OF BODY PARTS, FLEXIBLE BODY PARTS, DOOR PANELS, BODY PANELS, STRUCTURAL FRAMEWORK, CONVERTIBLE TOP FRAMEWORK, STRUCTURAL WELDS, HINGES, DOOR HANDLES, VINYL AND CONVERTIBLE TOPS AND NON-MECHANICAL REMOVABLE HARDTOP ASSEMBLIES.

\* THE INDICATED PARTS ARE COVERED TO THE EXTENT OUTLINED IN THIS MONTHLY POLICY WHEN PLATINUM PLUS COVERAGE PLAN IS PURCHASED.

## VI. POLICY LIMITATIONS

### WE WILL NOT PAY FOR OR COVER THE FOLLOWING:

#### 1. MODIFICATIONS:

- A. AFTERMARKET ACCESSORIES OR EQUIPMENT, COMPONENTS AND SYSTEMS, INCLUDING BUT NOT LIMITED TO: ANTI-THEFT SYSTEMS, RADAR DETECTORS, CB RADIOS, RADIO/SPEAKER EQUIPMENT, CRUISE CONTROL, SUNROOF, SOLAR POWERED DEVICES, TELEPHONES, TV/VCR/DVD AND RELATED COMPONENTS AND APPLIANCES (UNLESS INSTALLED BY THE MANUFACTURER).
- B. IF YOUR VEHICLE HAS BEEN MODIFIED TO PLOW SNOW, WHETHER THE SNOW PLOW BLADE IS ATTACHED TO THE VEHICLE OR NOT.
- C. BREAKDOWN CAUSED BY OR INVOLVING MODIFICATIONS UNLESS THOSE MODIFICATIONS WERE PERFORMED BY THE MANUFACTURER AND THE MODIFICATIONS MEET THE MANUFACTURER'S SPECIFICATIONS (E.G. TIRES TWO OR MORE SIZES LARGER OR SMALLER THAN THE MANUFACTURER'S SPECIFICATIONS, LIFT KITS, AFTERMARKET PERFORMANCE PARTS OR SYSTEMS).
- D. BREAKDOWN CAUSED BY OR INVOLVING EQUIPMENT, COMPONENTS OR SYSTEMS NOT INSTALLED BY THE MANUFACTURER.

#### 2. NON-STANDARD USE:

- A. BREAKDOWN CAUSED BY TOWING A TRAILER OR ANOTHER VEHICLE UNLESS YOUR VEHICLE IS EQUIPPED FOR THIS AS RECOMMENDED BY THE MANUFACTURER.
- B. ANY BREAKDOWN WHERE THE VEHICLE HAS BEEN USED FOR A COMMERCIAL PURPOSE, AS DEFINED IN SECTION I. KEY TERMS, AT ANY TIME WHILE OWNED BY YOU.
- C. BREAKDOWN CAUSED BY USING YOUR VEHICLE FOR STREET RACING OR OTHER COMPETITION.

#### 3. NEGLIGENCE, MISREPRESENTATION OR MISUSE:

- A. BREAKDOWN CAUSED BY ABUSE, MISUSE, ALTERATIONS OR LACK OF CUSTOMARY MAINTENANCE AS DETAILED IN SECTION VIII. YOUR RESPONSIBILITIES.
- B. BREAKDOWN CAUSED BY CONTAMINATION, OVERHEATING, LACK OF COOLANT, LACK OF LUBRICANTS, IMPROPER SPECIFICATION (TYPE) OF FLUIDS, LACK OF OIL VISCOSITY, SLUDGE OR RESTRICTED OIL FLOW. EXAMPLES INCLUDE BUT ARE NOT LIMITED TO: ENGINE AND TRANSMISSION.
- C. BREAKDOWN WHEN CONTAMINATED FLUIDS CAUSED OR CONTRIBUTED TO THE BREAKDOWN.
- D. LOSS OR DAMAGE CAUSED BY YOU OR THE OPERATOR'S FAILURE TO USE ALL REASONABLE PRECAUTIONS TO PROTECT THE VEHICLE FROM ANY FURTHER LOSS OR DAMAGE AFTER A BREAKDOWN OR FAILURE HAS OCCURRED OR BEEN INDICATED.
- E. IF YOUR VEHICLE'S ODOMETER HAS BEEN STOPPED, ALTERED OR MISREPRESENTS YOUR VEHICLE'S ACTUAL MILEAGE INCLUDING BUT NOT LIMITED TO ODOMETER MISREPRESENTATION CAUSED BY THE USE OR MODIFICATION OF THE VEHICLE WITH UNDERSIZE OR OVERSIZE TIRE AND WHEEL ASSEMBLIES.
- F. DAMAGE CAUSED TO YOUR ENGINE RESULTING FROM THE INGESTION OF WATER.
- G. BREAKDOWN OR DAMAGE CAUSED BY NEGLECTING TO FOLLOW PROPER CHARGING PROCEDURES OR USE OF INCOMPATIBLE CHARGING DEVICES FOR YOUR PLUG-IN HYBRID/ELECTRIC VEHICLE.

#### 4. COLLISION, PHYSICAL DAMAGE AND COSMETICS:

- A. BREAKDOWN CAUSED BY OR INVOLVING COLLISION, FIRE, THEFT, VANDALISM, RIOT, TERRORIST ACTS, WAR, EXPLOSION, LIGHTNING, EARTHQUAKE, HURRICANE, TROPICAL STORM, VOLCANIC ERUPTION, WINDSTORM, HAIL, WATER, FREEZING OR FLOOD.
- B. TO CORRECT A COSMETIC IMPERFECTION OR BREAKDOWN CAUSED BY RUST OR WEATHER-RELATED CORROSION.

#### 5. WARRANTIES AND MANUFACTURER RECALLS:

- A. COSTS OR SERVICES COVERED BY ANY WARRANTY REGARDLESS OF WHETHER THEY HONOR SUCH WARRANTY.
- B. COSTS THAT ARE OR WOULD HAVE BEEN COVERED UNDER ANY VEHICLE MANUFACTURER WARRANTY WHETHER OR NOT SUCH WARRANTY IS IN EFFECT IN ANOTHER COUNTRY OR HAS BEEN VOIDED BY THE MANUFACTURER.
- C. BREAKDOWN THAT IS A DIRECT RESULT OF A MECHANICAL OR STRUCTURAL DEFECT WHEN THE MANUFACTURER HAS ANNOUNCED A PUBLIC RECALL FOR THE PURPOSE OF CORRECTING SUCH A DEFECT.

#### 6. VEHICLE TYPE:

- A. IF YOUR VEHICLE HAD BEEN DECLARED A TOTAL LOSS, SALVAGED TITLE OR JUNK VEHICLE.
- B. IF YOUR VEHICLE IS A TRUCK RATED MORE THAN 1 TON.
- C. IF YOUR VEHICLE WAS MANUFACTURED AS A NON-U.S. SPECIFICATION MODEL.
- D. IF YOUR VEHICLE IS POWERED BY COMPRESSED NATURAL GAS, LIQUIFIED NATURAL GAS, PROPANE OR HYDROGEN.

#### 7. CONSEQUENTIAL DAMAGE:

- A. LOSS OF TIME, ECONOMIC LOSS, INCONVENIENCE, LODGING, FOOD, FREIGHT CHARGES, CORE CHARGES, STORAGE CHARGES, OR OTHER CONSEQUENTIAL LOSS OR DAMAGE THAT RESULTED FROM A BREAKDOWN UNLESS AS PROVIDED UNDER EMERGENCY TRAVEL EXPENSE REIMBURSEMENT. CONSEQUENTIAL OR INCIDENTAL DAMAGE OR LOSS SHOULD YOUR VEHICLE BE INVOLVED IN A COLLISION CAUSED BY OR INVOLVING A BREAKDOWN OF A COMPONENT COVERED BY THIS MONTHLY POLICY.
- B. BREAKDOWN OF A COVERED PART RESULTING FROM THE FAILURE OF A NON-COVERED PART. HOWEVER, COVERAGE WILL BE PROVIDED FOR THE FAILURE OF A NON-COVERED PART RESULTING FROM A BREAKDOWN OF A COVERED PART.
- C. BREAKDOWN OR DAMAGE CAUSED BY A POWER SURGE WHILE CHARGING YOUR VEHICLE.

#### 8. NON-COVERED CONDITIONS:

- A. **PRE-EXISTING – BREAKDOWN WHICH EXISTED PRIOR TO OR WAS CAUSED BY A CONDITION WHICH EXISTED PRIOR TO THE PURCHASE DATE.**
- B. REPAIRS PERFORMED WITHOUT THE ADMINISTRATOR'S PRIOR AUTHORIZATION EXCEPT WHEN THE ADMINISTRATOR'S OFFICE IS CLOSED AND EMERGENCY REPAIRS ARE NECESSARY (SEE SECTION VII. WHAT TO DO IF REPAIRS ARE NEEDED).
- C. REPAIR OF VALVES AND/OR RINGS FOR THE PURPOSE OF RAISING THE ENGINE'S COMPRESSION WHEN A BREAKDOWN HAS NOT OCCURRED.
- D. REPAIRS MADE SOLELY TO MEET OR MAINTAIN ANY GOVERNMENTAL EMISSION STANDARDS.
- E. REPAIRS OF AIR LEAKS, RATTLES, SQUEAKS, WIND NOISE AND WATER LEAKS WHERE WATER IS ENTERING THE VEHICLE EXTERNALLY.
- F. TO REPAIR, REPLACE, ADJUST OR ALIGN ANY PART NOT COVERED BY THIS MONTHLY POLICY EXCEPT AS REQUIRED FOR THE REPAIR OF A COVERED PART.
- G. DIAGNOSIS CHARGES, COST OF DISASSEMBLY OR ASSEMBLY IF YOUR REPAIR IS NOT COVERED OR HAS BEEN DENIED.
- H. ANY BREAKDOWN OCCURRING DURING THE WAITING PERIOD.

**9. MISCELLANEOUS EXPENSES:**

**A. EXPENSES CHARGED FOR THE DISPOSAL OF ENVIRONMENTALLY UNSAFE MATERIALS, NON-SPECIFIC MATERIALS OR SHOP SUPPLIES.**

**VII. WHAT TO DO IF REPAIRS ARE NEEDED**

**Insured Instructions**

In the event of a Breakdown, You can locate a preferred Repair Facility by visiting the Administrator's self-service claim portal:

**www.mrclaims.net**

If You are unable to locate a preferred Repair Facility through the Administrator's self-service claim portal or have questions, contact the Administrator at:

**1-800-752-6265**

**Service Hours**

**7:00 a.m. – 7:00 p.m. C.T. Monday – Friday**

**Emergency Repair Instructions:** In the event that a Breakdown of a covered part occurs when the Administrator's office is closed and emergency repairs are necessary, You may commence with emergency repairs without securing the Administrator's prior authorization. However, You or the Repair Facility must notify the Administrator of the repairs as soon as the Administrator's office reopens. You must submit written information and documentation concerning the Breakdown and repairs no later than 30 days after the Breakdown. Reimbursement of emergency repairs will be subject to all terms and conditions of this Monthly Policy and nothing herein authorizes repairs not otherwise covered.

Emergency repairs are those required because Your Vehicle was inoperable or unsafe to drive. Parts must be available for inspection when the Administrator's office reopens.

**Repair Facility Instructions**

To initiate a claim, visit the Administrator's self-service claim portal:

**www.mrclaims.net**

**VIII. YOUR RESPONSIBILITIES**

1. You must perform maintenance services to Your Vehicle, at the proper intervals, as required by the Owner's Manual for Your Vehicle. If Your failure to follow these procedures causes a Breakdown, You may be denied coverage. If You do not have an Owner's Manual, contact Your Vehicle's manufacturer to obtain one.
2. You must keep receipts which verify the Vehicle Identification Number, work orders and other documentation that show a date, a description of Your Vehicle, mileage and services performed. We may require You to furnish the Administrator with proof that the specified services have been performed. Failure to show proof of servicing may result in the denial of coverage.
3. You are responsible for making sure the oil warning light/gauge and the temperature warning light/gauge are functioning before driving Your Vehicle. You are required to safely pull Your Vehicle off the road and shut down the engine immediately when either of these lights/gauges indicates a problem.
4. If You experience a Breakdown, You agree to:
  - a. Use all reasonable means to protect Your Vehicle from further damage.
  - b. Notify the Administrator as soon as possible.
  - c. Authorize the Repair Facility to perform necessary diagnostic work and provide "teardown authorization" so that the Repair Facility can provide an accurate diagnosis and estimate of repairs. **IMPORTANT: WE WILL NOT PAY FOR DIAGNOSIS CHARGES FOR REPAIRS NOT COVERED UNDER THIS MONTHLY POLICY.**
  - d. Furnish the Administrator with such information as the Administrator may reasonably require and if requested provide proof of Your Vehicle's regular maintenance during the Policy Term as noted above.
  - e. Reserve for the Administrator the right to refer Your Vehicle to a Repair Facility that sells and services Your type of Vehicle, for certain repairs.
  - f. Allow the Administrator to examine Your Vehicle if the Administrator asks to do so.
  - g. Obtain authorization from the Administrator prior to beginning any repairs covered by this Monthly Policy except when the Administrator's office is closed and emergency repairs are necessary (See Emergency Repair Instructions within Section VII. WHAT TO DO IF REPAIRS ARE NEEDED).
5. Your help and cooperation is required if We ask You to help Us enforce Your rights against any manufacturer or Repair Facility who may be responsible to You for the Cost of repairs covered by this Monthly Policy.

**IX. OTHER PROVISIONS**

**1. If You Have Other Coverage**

If the manufacturer or **Repair Facility** agrees to cover all or some of the **Cost** of a **Breakdown** after a **Warranty** or guarantee has expired, **We** will pay only for any extra **Cost**. If **You** have any other Rental Reimbursement coverage, Emergency Roadside Assistance coverage or Emergency Travel Expense Reimbursement coverage, **We** will pay only the amount in excess of that coverage, subject to the limits of this Monthly Policy.

**2. Dispute Resolution – Arbitration**

This Monthly Policy requires binding arbitration if there is an unresolved dispute between **You** and **Us** concerning this Monthly Policy (including the **Cost** of, lack of or actual repair or replacement arising from a **Breakdown**). Under this Arbitration provision, **You** give up **Your** right to resolve any dispute arising from this Monthly Policy by a judge and/or a jury. **You** also agree not to participate as a class representative or class member in any class action litigation, any class arbitration or any consolidation of individual arbitrations. In arbitration, a group of three arbitrators (each of whom is an independent, neutral third party) will give a decision after hearing **Your** and **Our** positions. The decision of a majority of the arbitrators will determine the outcome of the arbitration and the decision of the arbitrators shall be final and binding and cannot be reviewed or changed by, or appealed to, a court of law. Any dispute on the application of this arbitration provision will be made by the local court of law in the county and state where **You** live. Notwithstanding this arbitration provision, **You** are not prohibited from bringing an action in Small Claims Court to resolve **Your** dispute.

The Consumer Arbitration Rules of the American Arbitration Association ([www.adr.org](http://www.adr.org)) will apply to any arbitration under this Monthly Policy. To start arbitration, either **You** or **We** must make a written demand to the other party for arbitration. This demand must be made within one year of the earlier of the date the **Breakdown** occurred or the dispute arose or the applicable statute of limitations period, whichever is longer. **You** and **We** will each separately select an arbitrator. The two arbitrators will select a third arbitrator called an "umpire." All costs and expenses of the arbitration will be shared equally by **You** and **Us**. Unless otherwise agreed to by **You** and **Us**, the arbitration will take place in the county and state in which **You** live. The procedural rules for arbitration shall be governed by the Federal Arbitration Act (9 U.S.C.A. § 1 et. seq.) and not by any state law concerning arbitration. The laws of the state of Illinois (without giving effect to its conflict of law principles) govern all substantive matters arising out of or relating to this Monthly Policy and all transactions contemplated by this Monthly Policy, including, without limitation, the validity, interpretation, construction, performance and enforcement of this Monthly Policy.

### **3. Transferability**

**This Monthly Policy is non-transferable. However, in the event of Your death and during the Policy Term, the benefits of this Monthly Policy will be available to Your spouse, domestic partner or legal representative.**

### **4. How This Policy May Be Canceled – Including Refunds And Charges**

#### **Cancellation By You**

**You** may cancel this Monthly Policy at any time. To cancel, contact the **Producer**. The **Producer** will assist with **Your** cancellation request. Alternatively, **You** must provide written notice to the **Administrator**. A copy of **Your** Monthly Policy must be included with **Your** request for cancellation.

#### **Cancellation By Us**

If **We** cancel this Monthly Policy, **We** will mail **You** written notice at least 30 days prior to cancellation. This notice shall state the effective date of and reason for cancellation. **We** may cancel this Monthly Policy:

- If there has been a material misrepresentation or fraud by **You**;
- If **You** have failed to maintain **Your Vehicle** as prescribed by the manufacturer;
- If the odometer has been tampered with or disabled and **You** have failed to repair the odometer;
- If **Your Vehicle** has a salvage title; or
- If **You** use **Your Vehicle** in any manner not covered by this Monthly Policy.

#### **How Refunds are Calculated**

If this Monthly Policy is canceled prior to the first **Effective Date** and a claim has not been incurred, a 100% refund of the **Monthly Insurance Premium** will be made. If this Monthly Policy is canceled on or after the first **Effective Date** or if a claim has been incurred prior to any **Effective Date**, a pro-rata refund will be made. The pro-rata refund will be calculated by multiplying the **Monthly Insurance Premium** by the percentage of unused days in the cancellation month divided by the total days in the cancellation month less claims paid and an administrative fee of 10% of the **Monthly Insurance Premium**. All refunds will be paid to **You**.

### **5. No Benefit to Bailee**

**We** will not recognize any assignment, nor grant any coverage that benefits any person or organization that holds, stores or moves **Your Vehicle** or its equipment.

### **6. Terms of Policy Conform to Statute**

Any terms of this Monthly Policy that are in conflict with the statutes of the State where it was issued are amended to conform to the minimum requirements of the statute.

### **7. Entire Policy**

This Monthly Policy represents the entire agreement between **You** and **Us**. No person has the authority to change this Monthly Policy or to waive any of its provisions. No other written or oral statements apply to this Monthly Policy.



## IX. STATE AMENDMENTS

This Monthly Policy is amended and the language below governs if **You** reside in a state listed below:

### California

**KEY TERMS – “Breakdown”** definition is deleted and replaced by the following:

“**Breakdown**” means the failure of any original or like replacement part due to defects in material or workmanship covered by this Monthly Policy to perform its intended functions(s) in normal service, providing it has received all scheduled maintenance, at the proper intervals, as recommended by the manufacturer in the Owner’s Manual. **Breakdown** does not include the gradual reduction in operating performance caused by wear and tear where a failure has not occurred.

**KEY TERMS – “Repair Facility”** definition is amended to include:

If a franchised automotive retailer or licensed repair facility does not provide a written parts and labor guarantee of 12 months and 12,000 miles, **We** will pay the cost to tow **Your Vehicle** to a franchised automotive retailer or licensed repair facility that provides a written parts and labor guarantee for covered repairs of 12 months and 12,000 miles or greater.

**ADDITIONAL BENEFITS – Emergency Roadside Assistance** is amended to include:

Emergency Roadside Assistance is provided by **Us** and administered by SafeRide Motor Club, Inc., 13901 Midway Road, Suite 102-429, Dallas TX 75244-4388, 1-877-229-4913.

**OTHER PROVISIONS – Section 2 Dispute Resolution – Arbitration** is deleted in its entirety and replaced by the following:

Mandatory arbitration is not allowed under this Monthly Policy. If **You** and **We** mutually agree, this Monthly Policy provides for binding arbitration if there is an unresolved dispute between **You** and **Us** concerning this Monthly Policy (for example the **Cost** of, lack of or actual repair of replacement arising from a **Breakdown**). Any dispute on the application of this arbitration provision will be made by the local court of law in the county and state where **You** live. Notwithstanding this arbitration provision, **You** are not prohibited from bringing an action in Small Claims Court to resolve **Your** dispute.

Under this Arbitration provision, **You** give up **Your** right to resolve any dispute arising from this Monthly Policy by a judge and/or a jury. In arbitration, a group of three arbitrators (each of whom is an independent, neutral third party) will give a decision after hearing **Your** and **Our** positions. The decision of a majority of the arbitrators will determine the outcome of the arbitration and the decision of the arbitrators shall be final and binding and cannot be reviewed or changed by, or appealed to, a court of law. The arbitrators shall not have the power to commit errors of law or legal reasoning, and the award may be vacated or corrected on appeal to a court of competent jurisdiction of any such error.

If the party on whom the demand is made agrees, to start arbitration, either **You** or **We** must make a written demand to the other party for arbitration. This demand must be made within one year of the earlier of the date the **Breakdown** occurred or the dispute arose or the applicable statute of limitations period, whichever is longer. **You** and **We** will each separately select an arbitrator. The two arbitrators will select a third arbitrator called an “umpire.”

Unless otherwise agreed to by **You** and **Us**, the arbitration will take place in the county and state in which **You** live. The arbitration shall be governed by the California Arbitration Act (California Code of Civil Procedures 1280 et. seq.) and the Consumer Legal Remedies Act (California Civil Code (1750 et. seq.)). The laws of the state of California govern all matters arising out of or relating to this Monthly Policy and all transactions contemplated by this Monthly Policy, including, without limitation, the validity, interpretation, construction, performance and enforcement of this Monthly Policy. All costs and expenses of the arbitration will be shared equally by **You** and **Us**.

All fees and costs charged to **You** under this provision shall be waived if **You** are an indigent consumer. “Indigent consumer” means a person having a gross monthly income that is less than 300 percent of the federal poverty guidelines. If **You** are determined to be an indigent consumer all provisions of California Code of Civil Procedure §1284.3 apply.

**OTHER PROVISIONS – Section 4 How This Policy May Be Canceled – Including Refunds And Charges**

**Cancellation By Us** is deleted in its entirety and replaced by the following:

**We** may only cancel this Monthly Policy:

- If there has been a material misrepresentation or fraud by **You**; or
- If **You** do not pay the **Monthly Insurance Premium**.

If **We** cancel this Monthly Policy, **We** will mail **You** written notice. If **We** cancel within 60 days of **Purchase Date**, the notice will be postmarked before the 61st day after the **Purchase Date**. Any notice shall provide: a) the effective date of cancellation, which will not be less than 5 days after the postmark of the date of notice, and b) the reason for cancellation. If the reason for cancellation is due to fraud or material misrepresentation, the notice shall contain the specific nature of such fraud or misrepresentation. If **We** cancel this Monthly Policy, the refund, if any, will be paid within 30 days of the date of cancellation.

If **You** have reported a claim to **Us**, prior to the cancellation date, the claim will be adjudicated according to the terms and conditions of the Monthly Policy.

**How Refunds are Calculated** is amended as follows:

No administrative fee will be charged within the first 60 days of cancellation from the **Purchase Date**. The administrative fee is deleted and replaced with an administrative fee of \$25 or 10% of the **Monthly Insurance Premium**, whichever is less. If this Monthly Policy is canceled by **Us**, no administrative fee will be charged.