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## YOUR COVERAGE

1. This contract is the coverage agreement between Allied Warranty, LLC ("Allied") and the customer ("You"). There are many items and risks that this contract does not cover, and only the items listed below are covered. You may cancel this contract in writing at any time. Allied may cancel this contract for non-payment of any fees. If canceled, the party that paid for the contract will receive a refund for the unexpired term less a \$25 fee and any service costs. If You make recurring payments using a third party, credit card or bank draft, Allied will automatically renew this contract and continue to process payments. If Your recurring payments are processed using a third party, a \$25 fee may apply for each payment transaction that is returned unpaid. A \$5.95 charge may also apply for any payment processed by a representative of the third party that You use. Coverage begins upon effective date and continues for a coverage period described in Your Plan Summary.
2. Allied will arrange for an affiliated or unaffiliated Service Contractor (see website for details) to repair or replace at Allied's option Your systems or appliances if they: (a) are located at the covered property, (b) become inoperative due to normal wear and tear (other than Surge Protection) and (c) are easily accessible. For multiple unit dwellings, common systems and appliances are excluded.
3. **Allied's limits of liability are Your choice of (unless otherwise noted):** (i) up to \$150 per claim and \$1,500 per contract, (ii) up to \$250 per claim and \$2,500 per contract, (iii) up to \$500 per claim and \$5,000 per contract, (iv) up to \$750 per claim and \$7,500 per contract, (v) up to \$1,000 per claim and \$10,000 per contract or (vi) up to \$1,500 per claim and \$15,000 per contract. Your limits of liability and coverage selections will be noted in Your Plan Summary. **Select Your covered systems and appliances:**

**A/C, HEATING & DUCTWORK** covers 2 systems, including seasonal tune-ups. Some common non-covered items are modifications or upgrades required for the existing equipment to work with the new equipment. For covered major equipment replacements, Your out-of-pocket costs can be up to several thousand dollars. Common non-covered items are leak tests, refrigerant, modifications and access costs, but You should review Section 5 for more details.

**INTERIOR PLUMBING & STOPPAGES** covers toilets; faucets; showerheads; leaks in water, drain, sewer, gas or vent lines; valves; and stoppages in drain/sewer lines using an existing clean out. Common non-covered items are disposal, modifications, access and restoration, but You should review Section 5 for more details.

**WATER HEATER** covers 2 gas, electric or tankless water heaters. Common non-covered items are disposal, modifications, access and code requirements, but You should review Section 5 for more details.

**EXTERIOR PLUMBING** covers leaks in water, drain, or gas lines starting outside the perimeter of the home to, but not including, the utility-owned connection and up to \$500 to excavate/repair sidewalks. **LIMIT:** (i) up to \$1,000 per contract or (ii) up to \$2,000 per contract. Common non-covered items are access, code requirements and restoration, but You should review Section 5 for more details.

**ELECTRICAL** covers breaker panel, breakers, electrical wiring, doorbells, ceiling fans, outlets and switches. **LIMIT:** (i) up to \$500 per contract or (ii) up to \$1,000 per contract. Common non-covered items are modifications, access and code requirements, but You should review Section 5 for more details.

**SURGE PROTECTION** covers damage by power surge or lightning to the following products if owned by You: televisions, stereos, DVD players, game systems, desktop or laptop computers, microwaves, oven/range/cooktops, refrigerators and dishwashers. **LIMIT:** (i) up to \$500 per contract, (ii) up to \$1,000 per contract, (iii) up to \$2,000 per contract or (iv) up to \$4,000 per contract. Claims with detectable pre-existing conditions will not be covered, but You should review Section 5 for more details.

4. A "claim" is a malfunction You believe is covered by this contract. You must notify Allied of a claim during the coverage period (866-791-1200 or [www.alliedwarranty.com](http://www.alliedwarranty.com)). Normally, Allied will initiate service within 48 hours. You are responsible for paying a service call fee noted in Your Plan Summary to the Service Contractor dispatched for each claim. Concurrent malfunctions in different systems or appliances constitute different claims. Allied will determine the scope of each claim, whether the claim is covered and whether to repair or replace. **Allied will not reimburse You for work performed without Allied's prior written consent.** Service work is guaranteed for 30 days.
5. Allied, at its option, may offer cash in the amount of Allied's estimated cost, instead of repair or replacement. **Allied will provide replacement systems or appliances with similar features, capacity and efficiency, but will not be responsible for matching dimensions, brand or color.** Allied is not responsible for: upgrades, modifications, access, emergency or after hours (including weekend) fees, permits, code violations or requirements,

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equipment/labor for manufacturer warranty or recall, commercial grade equipment, solar or geothermal equipment, disposal, portable equipment (including window units), failure to provide timely service, under-sized or inefficient systems, restoration or remediation, cosmetic defects, hazardous materials, leak tests or refrigerant, electronic management systems, living expenses, fixtures, sprinkler systems, missing parts, detectable pre-existing conditions, Acts of God or for any incidental, indirect or consequential damages, injuries or losses.

6. **ARBITRATION:** Any dispute related to a claim will be decided by final, binding and mandatory arbitration conducted pursuant to the Federal Arbitration Act, except as noted below. Arbitration must be initiated within 6 months from the claim date. The non-prevailing party shall pay the other party's reasonable costs and attorneys' fees. This contract, its construction and all aspects of the dispute, shall be governed by the laws of the State of Texas, but no state arbitration laws shall apply. BY AGREEING, YOU ARE WAIVING ALL RIGHTS TO A TRIAL BY JURY.
7. This contract is issued pursuant to a license granted by the Texas Real Estate Commission, and complaints about Allied may be directed to the Commission at P.O. Box 12188, Austin, TX 78711, 512-936-3049. *The purchase of a residential service contract is optional and similar coverage may be purchased through other residential service companies or insurance companies authorized to transact business in Texas.*

**NOTICE: YOU, THE BUYER, HAVE OTHER RIGHTS AND REMEDIES UNDER THE TEXAS DECEPTIVE TRADE PRACTICES-CONSUMER PROTECTION ACT THAT ARE IN ADDITION TO ANY REMEDY THAT MAY BE AVAILABLE UNDER THIS CONTRACT. FOR MORE INFORMATION CONCERNING YOUR RIGHTS, CONTACT THE CONSUMER PROTECTION DIVISION OF THE ATTORNEY GENERAL'S OFFICE, YOUR LOCAL DISTRICT OR COUNTY ATTORNEY OR THE ATTORNEY OF YOUR CHOICE.**

**NOTICE: THIS COMPANY PAYS PERSONS NOT EMPLOYED BY THE COMPANY FOR THE SALE, ADVERTISING, INSPECTION, OR PROCESSING OF A RESIDENTIAL SERVICE CONTRACT UNDER TEXAS OCCUPATIONS CODE §1303.304.**

Please sign and keep for your records.

Signature \_\_\_\_\_