



**GUARDIAN**  
PROTECTION PRODUCTS, INC.

# Area Rug Protection

**Plan Prefix:** PRGG

**Version:** CWS-SC-CG-GAR-1.0 (ed. 07-17)

## RESIDENTIAL FURNITURE – TERMS AND CONDITIONS

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This is a legal contract (hereinafter referred to as the “Plan”). By purchasing it, you understand that it is a legal contract and acknowledge that you have had the opportunity to read the terms and conditions set forth herein. This Plan and your Welcome Letter and receipt, containing the Effective Date and Expiration Date of your Plan, and the product identification constitute the entire agreement between you and us.

NOTE: This Plan is not an insurance policy, cleaning or maintenance contract, or your original manufacturer warranty. This Plan covers defects in workmanship and/or material of your covered furniture item(s) and, if applicable, accidental damage from normal household use, as described herein.

### DEFINITIONS:

Throughout this Plan the words (1) “you” and “your” refer to the purchaser of this Plan as shown on the receipt, and includes the Lessee if the product was acquired under a rent-to-own or lease-purchase transaction (collectively, “RTO Transaction”); (2) “we”, “us”, “our” refer to the company obligated under this Plan as referenced in the Obligor section of this Plan; (3) “Administrator” refers to the entity that is responsible for the administration of the Plan as referenced in the Administrator section of this Plan; (4) “furniture item(s)” refers to indoor or outdoor furniture constructed of upholstered fabric, leather/vinyl or wood/hard surfaces; adjustable bases; and area rugs that you purchased concurrently with this Plan and are shown as covered furniture item(s) on the Welcome Letter or receipt; (5) “retailer” indicates the dealer, store or outlet where you purchased the furniture item(s) and this Plan.

### OBLIGOR:

The Obligor of this Plan is as follows: (1) CNA Warranty Services, Inc. in all states except Florida and Washington; (2) In Florida, CNA Warranty Services of Florida, Inc.; and (3) In Washington, Continental Service Plan, Inc.

### ADMINISTRATOR:

The Administrator of this Plan is Guardian Protection Products, Inc., (“Guardian”) P.O. Box 300, Hickory, NC 28603-0300, 1-800-527-8485.

### TERM:

Coverage under the Plan for each furniture item begins with the later of the Plan Effective Date, the purchase date of the furniture item, or the date the furniture item was delivered to you, and lasts for the Term stated on the Welcome Letter or receipt. This Plan is not renewable.

### RTO TRANSACTIONS

Where a furniture item was initially acquired under RTO Transaction, any cash settlement or refund will be paid to the owner of the furniture item at the time the settlement is made. This will be the lessor (“Lessor”) if you have not yet acquired ownership of the property. In all other respects, the lessee (“Lessee”) will retain a beneficial interest in this Plan and all non-cash benefits described herein shall be rendered to the Lessee. Any owner obligations related to maintenance of the furniture item shall be the responsibility of the Lessee during the term of any RTO Transaction except as provided by law. Any reference to purchased, sold, or similar terms shall include rented and leased and their derivatives. Any reference to purchaser shall mean the Lessee under the RTO Transaction and not the Lessor.

### COVERAGE:

- This Plan is limited to the 50 states of the United States, including the District of Columbia, and is only valid for new furniture item(s) purchased concurrently with this Plan and shown on the Welcome Letter or receipt. The Plan covers materials and labor costs to service your furniture item(s) in the event a furniture item becomes **accidentally** damaged during normal residential use due to stains or other covered damage or defects as more specifically described in the Product Specific Coverage section of this Plan.
- All coverages are for covered occurrences from a single incident.
- The furniture item(s) must be picked up, delivered, and installed stain, damage and soil-free from the authorized retailer.
- The warranty will be registered electronically by your retailer within 30 days of the furniture item’s purchase date or delivery date if your furniture item was delivered.
- Furniture item(s) and materials replaced under the terms and conditions of this Plan become the sole property of the Obligor except where prohibited by law.
- The Plan is non-transferrable to another owner; however, in the case of an RTO Transaction, this Plan will automatically be transferred from the Lessor to the Lessee upon Lessee’s fulfillment of all terms of the RTO Transaction, and such Lessee shall become the outright owner of this Plan. If the furniture item and the Plan purchase are being given as gift, contact Guardian Customer Service at 1-800-527-8485 30 days from the date of purchase with the name and address of the recipient.

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- You are not required to purchase this Plan as a condition of a loan or sale of any property.

**NOTE:** You must keep the receipt for this Plan; it is an integral part of this Plan and you will be required to reference it to obtain service. This Plan, including the terms, conditions, limitations, exceptions and exclusions, the receipt containing the length and type of Plan, commencement date and product identification constitute the entire agreement.

## PRODUCT SPECIFIC COVERAGE:

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The following are covered, subject to the Exclusions To Coverage and other Plan conditions:

1. AREA RUGS:
  - a. Stains caused by any food or beverage normally consumed by humans.
  - b. Mold and mildew stains caused by food or beverage spills.
  - c. Stains caused by human or pet bodily fluids.
  - d. Stains caused by grass, grease, ballpoint pen ink, iodine, nail polish, cosmetics, lipstick, crayon, and shoe polish.

## LIABILITY:

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For any single claim, the limit of liability under this Plan is the lesser of the cost of (1) authorized service/repairs, (2) replacement of affected furniture item with a new replacement piece of equal value, excluding taxes and delivery/shipping fees and (3) the price that you paid for the furniture item.

The total liability under this Plan is the purchase price you paid for the furniture item, but not to exceed the Maximum Limit of Liability shown on the Welcome Letter or receipt. In the event that the aggregate of all authorized service/repairs exceeds the purchase price paid for the furniture item or we replace the furniture item with a new piece of equal value, we shall have satisfied all obligations owed under this Plan.

If the retailer from whom this Plan was purchased is no longer in business, in the case of a covered claim, the Plan becomes service only. If the furniture item(s) cannot be serviced, the liability will be limited to a refund of the purchase price of this Plan, less paid claims. Once a refund has been issued for any furniture item, all terms and conditions of the Plan will be fulfilled and all future claims will be void.

## SERVICE REQUEST PROCESS:

1. **Please report all covered claims to Guardian at 1-800-527-8485 within 5 or 30 days of the accidental staining or damage occurrence (see your Welcome Letter for reporting timeframe requirement)** and Guardian Customer Service Representatives will be ready to guide you through the service process. Spanish assistance is available for your convenience. Ensure that you have your original itemized receipt and Plan documents in hand to reference the contract and Plan number, which will be required to qualify for service. Be prepared to describe the nature of any incident, including but not limited to, the location, size, and, if possible, how the incident occurred. Failure to provide necessary information including receipt, photographs or other documentation within 30 days of request may result in a denial of coverage.
2. Your service request must be authorized by Guardian prior to any covered service repair or replacement effort being initiated. Any unauthorized service repair or replacement will void coverage for the affected furniture items(s) under the Plan.
3. We may provide repair advice and/or products to aid in resolving your damage. Otherwise, you may receive a no charge in-home visit by a professional technician who will service your furniture item and attempt to repair the damage. If we determine, in our sole discretion, that your furniture item cannot be serviced, we may replace the affected area(s). If the affected area(s) cannot be replaced, subject to the limit of liability, you can select a new replacement piece equal in value to the original purchase price from the retailer from whom this Plan was purchased. Professional service or replacement is limited to the affected area(s) only. At our sole discretion, replacement may be effectuated in the form of issuance of a certificate for an in-store credit at the retailer where the Plan was purchased.
4. Replacement is limited to the retailer where the Plan was purchased. If you move outside of the delivery area of the retailer, you must pay all applicable shipping/delivery costs associated with the Plan service request.
5. We may offer a cash settlement in lieu of cleaning, repair or replacement should you decide to keep the original furniture item in its present condition. If a cash settlement offer is accepted by the Lessee in an RTO Transaction, the cash settlement will be paid to the Lessor/owner of the product at the time the settlement is made, as stated in the RTO Transactions section above.
6. We will not replace or otherwise service matching pieces of furniture items that are not damaged and we are not responsible for, and will take no action to correct, dye lot or texture variations arising from service or replacement of a part of a furniture item or replacement of an entire furniture item. This Plan does not transfer to replacement furniture.

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You shall reasonably cooperate with us and Guardian in our efforts to perform our obligations under this Plan, which may include providing required documentation, including but not limited to sales receipts, and photographs. Failure to comply with the provisions in this Plan may result in your service request being deemed ineligible for service. We have the right to deny service should you refuse our attempts to repair or service. You also must provide a safe, non-threatening environment for our technicians to perform service. If you are not present for a scheduled technician visit, we may close your service request.

**NOTE:** Materials and services covered during the manufacturer's warranty period are the responsibility of the manufacturer. This Plan is inclusive of the manufacturer's warranty; it does not replace the manufacturer's warranty, but provides certain additional benefits during the term of the manufacturer's warranty.

**DEDUCTIBLE:** No deductible is required.

#### **EXCLUSIONS TO COVERAGE:**

1. Anything not listed in the "Product Specific Coverage" of this Plan.
2. Damage to furniture items that is covered or should be covered by the manufacturer's warranty, repairer's warranty or any other warranty in effect; any and all pre-existing conditions that occur prior to the effective date of this Plan; defects that are subject to manufacturer's recall; any breach of an implied or expressed warranty of merchantability or fitness; any furniture item sold without a store or manufacturer warranty.
3. Damage that occurs to furniture items while located outside the 50 states of the United States, including the District of Columbia.
4. Damage caused during, or as result of delivery, handling, set-up or assembly of furniture items; furniture items in transit or storage; furniture items located outdoors or on patios or screened rooms where they may be directly or indirectly exposed to outside elements; damage by outside contractors; water damage by leaking appliances, water heaters, skylights, pipes and all losses covered by homeowners or renters insurance.
5. Damage caused by pets or other animals, including but not limited to damage caused by beaks, claws, or jaws; repeated pet bodily fluid stains which are considered preventable occurrences.
6. General soiling, which is defined as a gradual buildup of dirt, dust, body oils, perspiration, or any other accumulated stains that cannot be attributed to a single incident.
7. Indentations from writing on wood surface or any type of surface abrasion; finish scorching (unless a specifically covered heat mark) and wood burns or heat damage; loss of silvering of glass or mirror components (unless specifically covered); scratches, rips, cuts, gouges, and scuff marks of any type that do not clearly penetrate through upholstery or the clear-coat finish on wood, exposing the bare wood.
8. Leather or vinyl cracking or peeling, including damage caused by perspiration, body and hair oils; stress tears or rips, scratches, and leather scars or finish defects. Repair and replacement are specifically excluded on split hides used in seating areas.
9. Odors.
10. Unknown stains; color loss, fading, and discoloration; all normal wear and tear, including damage that cannot be attributed to a single relatable incident.
11. Loss of foam resiliency; pilling, fraying or loosening of threads on upholstery; seam slippage or separation;.
12. Spring or coil damage (unless specifically covered)
13. Fabric or leather dye lot variations, wood finish variations or manufacturer's discontinuation.
14. Unless specifically covered, plastic or metal parts, such as hinges and drawer slides, failure of assembled joints, all other nonfunctional or aesthetic parts, including but not limited, to knobs, buttons, and rollers, and baskets or accessories used in conjunction with the covered furniture item, such as pillows, lamps, and remotes.
15. Ballpoint pen ink, crayon or lipstick marks of more than 6 inches in length are considered preventable and will not be covered.
16. Damage caused by any unauthorized cleaning products or methods; damage caused by unauthorized repair methods; defects or damage caused by topical treatments; failure to follow manufacturer recommended routine maintenance and inspection.
17. Unless specifically covered, stains or liquid

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rings, caused by substances such as medication (including vitamins), perspiration, body and hair oils, dyes, paints, acids, corrosives, caustic solutions, chemicals, bleaches, glue, candle wax, adhesives, gum, crayon, ink (except ballpoint pen ink), marker, dirt or other soil, pollen, tree sap, mold or mildew stains due to atmospheric causes, rust, nail polish, nail polish remover, cosmetics, hair treatments including hair gel, hair spray, mousse, or other like substances.

18. Unless specifically covered the Plan does not apply to any other surfaces, including parachute cloth, "X" coded fabrics, 100% silk, non-colorfast material, draperies, area rugs, carpets, box springs, mattresses, nubuck, suede or other sensitive leathers, paper, fossil stone, marble, plastic, bare wood, wooden bed slats, oil finished furniture, crowned or curved glass, and electronic components; stains or damage to box springs, carpet or flooring due to any substance that may run off of the mattress or furniture item.
19. Any upgrades to the furniture item that alter the appearance and function from the manufacturer's original state.
20. "As is", "final sale", "pre-owned" and rental products (other than an RTO Transaction); commercial use (multi-user organizations), public rental, use for profit or communal use for multi-family housing.
21. Repairs necessitated by intentional physical damage, acts of nature, fire, burglary, theft, vandalism, collision, spilled liquids (unless resulting in a covered stain or liquid ring), corrosion, insect infestation, misuse, neglect, mishandling and abuse.
22. Unauthorized modifications made to the furniture item; altered serial numbers; failure to follow manufacturer's installation, operation or maintenance instructions; repairs performed by non-authorized repairer; any items not affecting the furniture item's function.
23. Damages due to external faults, such as wiring, electrical connection or plumbing.
24. Products on loan during repair process.
25. Failure caused by voltage converter and/or applying incorrect voltage to the furniture item.
26. Diagnosis where no defect has been found or noted.
27. Damage caused by war, invasion or act of foreign enemy, hostilities, civil war, rebellion,

riot, strike, labor disturbance, lockout or civil commotion.

28. Loss or injury to a person or loss or damage to property or any incidental, contingent, special or any direct or indirect loss and consequential damages including, but not limited to, losses incurred to any delay in rendering service under this Plan and loss of use during the period that your furniture item is at an authorized servicer or while awaiting materials/parts.

#### GENERAL PROVISIONS:

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##### **Cancellation:**

This Plan shall be cancelled by us for fraud or material misrepresentation, including but not limited to commercial or rental use (other than an RTO Transaction). Unauthorized repair or replacement of a furniture item shall result in the cancellation of this Plan by us. In the event of cancellation by us, written notice of cancellation stating the effective date and reasons for the cancellation shall be mailed to you not less than sixty (60) days before cancellation is effective. This Plan can be cancelled by you at any time for any reason by mailing or delivering to us notice of cancellation at Guardian Protection Products, PO Box 300, Hickory, NC 28603-0300. If the Plan is cancelled: (a) within thirty (30) days of the receipt of this Plan, you shall receive a full refund of the price paid for the Plan, less the cost of any service or replacement received or pending, or (b) after thirty (30) days, you will receive a pro rata refund, less the cost of any service received. If you financed the purchase of this Plan, at our discretion any refund due will be paid directly to the lender of record. With respect to cancellation of this Plan by a Lessee in an RTO Transaction, such refund shall be payable to the Lessor, unless you have taken ownership of the furniture item. We will add a ten (10) percent penalty per month to a refund that is not paid or credited within forty-five (45) days after you cancel the Plan. At our discretion, the retailer may refund the portion of the Plan price due you on our behalf.

##### **Arbitration:**

If we cannot resolve any disputes with you related to the Plan, including claims, you and we agree to resolve those disputes through binding arbitration or small claims court instead of through courts of general jurisdiction. Further, you and we agree to waive our rights to a trial by jury and not to participate in any class arbitrations or class actions. This Plan is evidence of a transaction in interstate commerce and the Federal Arbitration Act applies to and governs the enforcement of any arbitration hereunder. The provisions of this Arbitration section shall survive the termination of this Plan. YOU AND WE UNDERSTAND AND AGREE THAT, BECAUSE OF THIS PROVISION, NEITHER YOU NOR WE WILL HAVE THE RIGHT TO GO TO COURT EXCEPT AS PROVIDED ABOVE OR TO

HAVE A JURY TRIAL OR TO PARTICIPATE AS ANY MEMBER OF A CLASS OF CLAIMANTS PERTAINING TO ANY CLAIM. The arbitration shall take place before a panel of three arbitrators which shall be selected in accordance with American Arbitration Association Rule R-13. Each of the arbitrators must have at least ten years of full-time work experience or equivalent part-time experience in the commercial insurance industry in a corporate risk management department, with a commercial liability insurer, with a commercial insurance broker, as a lawyer representing insurers or insureds with respect to commercial insurance matters or as a state or federal court judge who has handled multiple cases involving commercial insurance disputes. Any award made may be enforced in any court having jurisdiction. All arbitration shall take place in Chicago, Illinois unless otherwise agreed upon.

**Insurance Securing this Plan:** This is not an insurance policy. This Plan is secured by contractual liability policies provided by: (1) Continental Casualty Company in all states except Washington and (2) The Continental Insurance Company in Washington. Both can be contacted at 333 S Wabash Ave, Chicago, IL 60604, 1-800-831-4262. If, within sixty (60) days, we have not paid a covered claim, provided you with a refund or you are otherwise dissatisfied, you may make a claim directly to the insurance companies. Please enclose a copy of your Plan when sending correspondence to the insurance companies.

You may contact the Obligor at 333 S Wabash Ave, Chicago, IL 60604, 1-866-298-3372.

#### STATE SPECIFIC REQUIREMENTS:

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**The following state specific requirements are added to and become part of this Plan and supersede any other provision to the contrary:**

**Alabama Residents:** You may cancel this Plan within thirty (30) days of the receipt of this Plan. If no claim has been made under the Plan, the Plan is void and we shall refund to you the full purchase price of the Plan. Any refund due to you will be credited to any outstanding balance of your account, and the excess, if any, shall be refunded to you. A ten (10) percent penalty per month shall be added to a refund that is not paid or credited within forty-five (45) days after you cancel the Plan. If you cancel this Plan after thirty (30) days of receipt of this Plan, we shall refund to you the unearned portion of the full purchase price of the Plan. Any refund due to you will be credited to any outstanding balance of your account, and the excess, if any shall be refunded to you.

All arbitration under the Arbitration section of the Plan will take place in Alabama in the county in which you reside.

**Arizona Residents:** If your written notice of cancellation is received prior to the Plan expiration date, the Administrator shall refund the remaining pro-rata price, regardless of

prior services rendered under the Plan. The pre-existing condition exclusion does not apply to conditions occurring prior to the sale of the consumer furniture item by the Obligor, its assignees, subcontractors and/or representatives.

**California Residents:** For all furniture items, the Cancellation section of the Plan is modified as follows: If the Plan is cancelled: (a) within sixty (60) days of the receipt of this Plan, you shall receive a full refund of the price paid for the Plan provided no service has been performed, or (b) after sixty (60) days, you will receive a pro rata refund, less the cost of any service received. A ten (10) percent penalty per month shall be added to any refund that is not paid or credited within thirty (30) days after you cancel the Plan.

**Connecticut Residents:** The expiration date of this Plan shall automatically be extended by the duration that the furniture item is in our custody while being repaired. In the event of a dispute with the Administrator, you may contact The State of Connecticut, Insurance Department, PO Box 816, Hartford, CT 06142-0816, Attn: Consumer Affairs. The written complaint must contain a description of the dispute, the purchase price of the furniture item, the cost of repair of the furniture item and a copy of the Plan.

The Obligor of the Plan is CNA Warranty Services, Inc. You may contact the Obligor at 333 S Wabash Ave, Chicago, IL 60604, 1-866-298-3372.

You have the right to cancel the Plan if you return the furniture item or the furniture item is sold, lost, stolen or destroyed.

If, within sixty (60) days, we have not paid a covered claim, provided you with a refund or you are otherwise dissatisfied, you may make a claim directly to the insurance company, Continental Casualty Company, in writing at 333 S Wabash Ave, Chicago, IL 60604. Please enclose a copy of your Plan when sending correspondence to the insurance company. The written complaint must contain a description of the dispute, the purchase price of the furniture item, the cost of repair of the furniture item, and a copy of the Plan.

**Florida Residents:** In the event of cancellation by us, written notice of cancellation shall be mailed to you not less than sixty (60) days before cancellation is effective. This Plan can be cancelled by you at any time for any reason by emailing, mailing or delivering to us notice of cancellation. If the Plan is cancelled: (a) within thirty (30) days of the receipt of the Plan, you shall receive a full refund of the price paid for the Plan provided no service has been performed, or (b) after thirty (30) days, you will receive a refund based on 100% of the unearned pro rata purchase price less any claims that have been paid or less the cost of repairs made by us. If we cancel the Plan, the return purchase price is based upon 100% of the unearned pro rata purchase price. If we determine in our sole discretion that your furniture item cannot be repaired or your furniture

item requires replacement instead of repair, we will replace your furniture item with an item of like kind and quality that is of comparable performance, or, reimburse you for replacement of the furniture item with a check, at our discretion, equal to the original purchase price of the furniture item, as determined by us, not to exceed the original purchase price of the furniture item, including all applicable taxes. The rate charged for this Plan is not subject to regulation by the Florida Office of Insurance Regulation.

**Georgia Residents:** This Plan shall be non-cancelable by us except for fraud, material misrepresentation, or failure to pay consideration due therefore. The cancellation shall be in writing and shall conform to the requirements of Code 33-24-44. You may cancel at any time upon demand and surrender of the Plan and we shall refund the excess of the consideration paid for the Plan above the customary short rate for the expired term of the Plan. This Plan excludes coverage for incidental and consequential damages and pre-existing conditions only to the extent such damages or conditions are known to you or reasonably should have been known to you.

As stated in the Arbitration section of this Plan, either party may bring an individual action in small claims court. The Arbitration section does not preclude you from bringing issues to the attention of federal, state, or local agencies or entities of your dispute. Such agencies or entities may be able to seek relief on your behalf. You and we agree to waive the right to a trial by jury and to participate in class arbitrations and class actions. Nothing contained in the Arbitration section shall affect your right to file a direct claim under the terms of this Plan against Continental Casualty Company pursuant to O.C.G.A. 33-7-6.

**Illinois Residents:** You may cancel this Plan for any reason at any time. If you cancel within thirty (30) days of the Plan purchase, and we have not paid a claim, you will receive a full refund, less a cancellation fee of \$50.00 or 10% of the Plan price which we may charge. If you cancel after thirty (30) days or any time after we pay a claim, you will receive a pro-rata refund of the Plan price based on the days remaining, less any claims that have been paid, less a cancellation fee of \$50.00 or 10% of the Plan price which we may charge.

**Maine Residents:** You may cancel this Plan within twenty (20) days of the receipt of this Plan if sent by mail or within ten (10) days if delivered at the point of sale. If no claim has been made under the Plan, the Plan is void and we shall refund to you the full purchase price of the Plan. Any refund due to you will be credited to any outstanding balance of your account, and the excess, if any, shall be refunded to you. A ten (10) percent penalty per month shall be added to a refund that is not paid or credited within forty-five (45) days after you cancel the Plan. If you cancel this Plan after twenty (20) days of receipt of this Plan if sent by mail or after ten (10) days if delivered at the point of sale, we shall refund to you the unearned pro rata purchase price, less any claims paid. An administrative fee

not to exceed ten (10) percent of the purchase price paid by you may be charged by us. Any refund due to you will be credited to any outstanding balance of your account, and the excess, if any shall be refunded to you. In the event of cancellation by us, written notice to you will be provided at least 15 days prior to the cancellation and will contain the effective date of the cancellation and the reason for cancellation. If a Plan is cancelled by us, you will be refunded 100% of the unearned pro rata purchase price paid by you, less any claims paid. An administrative fee not to exceed 10% of the purchase price paid by you may be charged by us. You are not required to purchase this Plan as a condition of a loan or a condition for the sale of any property.

**Maryland Residents:** The expiration date of the Plan is automatically extended until we have performed services under the Plan. We shall provide service under the Plan within a reasonable period of time and we will provide on your request a brief written explanation of the reasons for any delay.

**Michigan Residents:** If the performance for this Plan is interrupted because of a strike or work stoppage at the our place of business, the expiration period of the Plan shall be extended for the period of the strike or work stoppage.

**Minnesota Residents:** If you are the original purchaser of this Plan you may cancel this Plan within twenty (20) days of the receipt of this Plan if sent by mail or within ten (10) days if delivered at the point of sale. If no claim has been made under the Plan, the Plan is void and we shall refund to you or credit your account or the account of other payer of record the full purchase price of the Plan. Any refund due to you will be credited to any outstanding balance of your account, and the excess, if any, shall be refunded to you. A ten (10) percent penalty per month shall be added to a refund that is not paid or credited within forty-five (45) days after you cancel the Plan. We shall mail a written notice to you at your last known address contained in our records at least fifteen (15) days before cancellation by us. Five days' notice is required if the reason for cancellation is nonpayment of the provider fee, a material misrepresentation by you to us, or a substantial breach of duties by you relating to the covered product or its use. The notice must state the effective date of the cancellation and the reason for the cancellation. A person, such as a bank, savings association, lending institution, manufacturer, or seller of any product shall not require the purchase of a service contract as a condition of a loan or a condition for the sale of any property. Insurers issuing reimbursement insurance to providers are deemed to have received the premiums for the insurance upon the payment of provider fees by consumers for service contracts issued by the insured providers.

**Nevada Residents:** If the contract is canceled, no claims paid will be deducted from the refund to you. Fees may be deducted when you cancel the contract. If you are the original purchaser of this Plan you may cancel this Plan within twenty (20) days of the receipt of this Plan if sent by

mail or within ten (10) days if delivered at the point of sale. If no claim has been made under the Plan, the Plan is void and we shall refund to you or credit your account or the account of other payer of record the full purchase price of the Plan. Any refund due to you will be credited to any outstanding balance of your account, and the excess, if any, shall be refunded to you. A ten (10) percent penalty per each thirty (30) day period shall be added to a refund that is not paid or credited within forty-five (45) days after you cancel the Plan. If we cancel this Plan, no cancellation fee will be imposed. A Plan that has been in effect for at least seventy (70) days may not be cancelled by us before the expiration of the agreed term or 1 year after the effective date of the service contract, whichever occurs first, except on any of the following grounds: (a) Failure by the holder to pay an amount when due; (b) Conviction of the holder of a crime which results in an increase in the service required under the service contract; (c) Discovery of fraud or material misrepresentation by the holder in obtaining the service contract, or in presenting a claim for service thereunder; (d) Discovery of: (1) An act or omission by the holder; or (2) A violation by the holder of any condition of the service contract, which occurred after the effective date of the service contract and which substantially and materially increases the service required under the service contract; or (e) A material change in the nature or extent of the required service or repair which occurs after the effective date of the service contract and which causes the required service or repair to be substantially and materially increased beyond that contemplated at the time that the service contract was issued or sold. No cancellation of a service contract may become effective until at least fifteen (15) days after the notice of cancellation is mailed to the holder. Arbitration doesn't apply to Nevada Residents. There is no deductible that you are required to pay under this contract. Any exclusion for damages covered by insurance or another service contract in this contract is deleted. Coverage under this Plan is excess over coverage from any insurance or service contract available to you.

**New Hampshire Residents:** Contact us at 1-866-298-3372 with, questions, concerns, or complaints about the Plan. In the event you do not receive satisfaction under this Plan, you may contact the State of New Hampshire Insurance Department, 21 South Fruit Street, Suite 14, Concord, New Hampshire 03301, telephone number: 1-603-271-2261. Any civil action or alternative dispute resolution procedure brought by you in connection to the Plan can be brought in New Hampshire.

**New Mexico Residents:** If you are the original purchaser of this Plan you may cancel this Plan within twenty (20) days of the receipt of this Plan if sent by mail or within ten (10) days if delivered at the point of sale. If no claim has been made under the Plan, the Plan is void and we shall refund to you or credit your account or the account of other payer of record the full purchase price of the Plan. Any refund due to you will be credited to any outstanding balance of your account, and the excess, if any, shall be refunded to you. A ten (10) percent penalty per each thirty

(30) day period based on purchase price shall be added to a refund that is not paid or credited within sixty (60) days after you cancel the Plan. If this Plan has been in force for a period of seventy (70) days or more, we may not cancel it before the expiration of the Plan term or one (1) year, whichever occurs first, unless: (1) you fail to pay any amount due; (2) you are convicted of a crime which results in an increase in the service required under the Plan; (3) You engaged in fraud or material misrepresentation in obtaining this Plan; (4) you commit any act, omission, or violation of any terms of this Plan after the effective date of this Plan which substantially and materially increase the service required under this Plan; or (5) any material change in the nature or extent of the required service or repair occurs after the effective date of this Plan and causes the required service or repair to be substantially and materially increased beyond that contemplated at the time you purchased this Plan. No cancellation will be effective until at least fifteen days after notice of cancellation is mailed to you.

Final contract price to be determined prior to presentation to consumer for signature. See NMSA 1978 Section 59A-58-10.

This service contract is insured by Continental Casualty Company. If the service contract provider fails to pay you or otherwise provide you with the covered service within 60 days of your submission of a valid claim, you may submit your claim to Continental Casualty Company at 333 S Wabash Ave, Chicago, IL 60604, 1-800-831-4262. If you have any concerns regarding the handling of your claim, you may contact the Office of Superintendent of Insurance at 855-427-5674.

**New York Residents:** You have the right to return the Plan within at least twenty (20) days of the date of mailing of the Plan to you or within at least ten (10) days if the Plan is delivered at the time of the purchase or within a longer time period permitted under the Plan. If no claim has been made under the Plan, the Plan shall be void and we shall refund to you the full purchase price of the Plan, plus a ten percent (10%) penalty per month shall be added to any refund that is not made to you within thirty (30) days of return of the Plan to us for cancellation. In the event of cancellation by us, written notice to you will be provided at least fifteen (15) days prior to the cancellation and will contain the effective date of the cancellation and the reason for cancellation, unless the reason for cancellation is nonpayment of the provider fee, material misrepresentation or a substantial breach of duties by you relating to the furniture item or its use.

**Oklahoma Residents:** Coverage afforded under this contract is not guaranteed by the Oklahoma Insurance Guaranty Association. In the event the Plan is canceled by you, we will return the portion of fees paid based upon ninety percent (90%) of the unearned pro rata fee less the actual cost of any service provided. In the event the contract is canceled by us, we will return the portion of fees paid based upon one hundred percent (100%) of unearned

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pro rata fee less the actual cost of any service provided.

The Service Warranty Association license number for CWS Warranty Services, Inc.: 864373

**Oregon Residents:** The Arbitration provision of this Plan is amended to add the following: Any award rendered in accordance with this Plan's Arbitration provision shall be a **nonbinding award against you**, provided that you reject the arbitration decision in writing to us within forty-five (45) days of the arbitrator's award. Under no circumstances shall a legal proceeding be filed in a federal, state or local court until such time as both you and we first obtain an arbitration award pursuant to this Arbitration provision. Any arbitration occurring under this Plan shall take place in Oregon and be administered in accordance with the Arbitration Rules unless any procedural requirement of the Arbitration Rules is inconsistent with the Oregon Uniform Arbitration Act in which case the Oregon Uniform Arbitration Act shall control as to such procedural requirement.

**South Carolina Residents:** To prevent any further damage, please refer to the owner's manual. In the event we do not provide covered service within sixty (60) days of filing a claim by you, you are entitled to apply directly to the Insurance Company. If the Insurance Company does not resolve such matters within sixty (60) days of your claim, you may contact the SC Department of Insurance, P.O. Box 100105, Columbia, SC 29202-3105, (800) 768-3467.

**Tennessee Residents:** When there is a failure of the product under the Plan, the Plan shall be extended as follows: (1) the number of days the consumer is deprived of the use of the product by reason of the product being in repair; plus (2) two (2) additional working days.

**Texas Residents:** If you purchased this Plan in Texas, unresolved complaints concerning a provider or questions concerning the registration of a service Plan provider may be addressed to the Texas Department of Licensing and Regulation, P.O. Box 12157, Austin, Texas 78711, telephone number (512) 463-2906 or (800) 803-9202. You may apply for reimbursement directly to the Insurance Company if a covered service is not provided to you by us before the sixty-first (61st) day after the date of your claim, or, a refund or credit is not paid before the forty-sixth (46th) day after the date on which the Plan is returned to the provider. A ten percent (10%) penalty per month shall be added to any refund that is not made to you within forty-five (45) days of return of the Plan to us for cancellation.

You may cancel the Plan at any time. If you cancel the Plan before the 31st day after the date of purchase, we: (1) shall refund to you or credit to your account the full purchase price of the Plan, decreased by the amount of any claims paid under the Plan; and (2) may not impose a cancellation fee. If you cancel the Plan on or after the 31st day after the date of purchase, we: (1) shall refund to you or credit to your account the prorated purchase price of the Plan reflecting the remaining term of the Plan, based on

mileage, time, or another reasonably applicable measure of the remaining term that must be disclosed in the Plan, decreased by the amount of any claims paid under the Plan; and (2) may impose a reasonable cancellation fee not to exceed \$50. If we do not pay the refund or credit your account before the 46th day after the date notice of cancellation is received by us, we will pay you a penalty for each month an amount remains outstanding equal to 10 percent of the amount outstanding. The penalty is in addition to the full or prorated purchase price of the Plan that is owed to you. The right to cancel a service contract is not transferable to a subsequent holder of the Plan.

We may cancel the Plan by mailing a written notice of cancellation to you at your last known address according to our records. We must mail the notice before the fifth day preceding the effective date of the cancellation. The notice must state the effective date of the cancellation and the reason for the cancellation. We are not required to provide prior notice of cancellation if the Plan is canceled because of: (1) nonpayment of the consideration for the Plan; (2) fraud or a material misrepresentation by you to us or our administrator; or (3) a substantial breach of a duty by you relating to the furniture item or its use. You are entitled to a prorated refund of the purchase price of the Plan reflecting the remaining term of the Plan, based on mileage, time, or another reasonably applicable measure of the remaining term that must be disclosed in the Plan, decreased by the amount of any claims paid under the contract. We may not impose a cancellation fee.

Texas License Number of the Administrator: 217

**Utah Residents: NOTICE. This Plan is subject to limited regulation by the Utah Insurance Department.** To file a complaint, contact the Utah Insurance Department. Coverage afforded under this Plan is not guaranteed by the Utah Property and Casualty Guarantee Association. The following replaces the conditions pertaining to cancellation of the Plan by us in the Cancellation section: This Plan may be cancelled by us only due to nonpayment of premium or, if the Plan has not been previously renewed or has not been in effect less than sixty (60) days when the written notice of cancellation is mailed or delivered, we may cancel the Plan due to: a) material misrepresentation; b) substantial change in the risk assumed, unless we should reasonably have foreseen the change or contemplated the risk when entering into the Plan; or c) substantial breaches of contractual duties, conditions, or warranties. If we cancel this Plan due to nonpayment, cancellation will be no sooner than ten (10) days after the delivery or first class mailing of written notice. Otherwise, cancellation will be no sooner than thirty (30) days after the delivery or first class mailing of written notice. Cancellation notice will include the reasons for the cancellation.

Paragraph 2 of the SERVICE REQUEST PROCESS section is deleted in its entirety and replaced by the following: Failure to report and provide the necessary information on a covered claim to us within the prescribed time will not invalidate the claim if you can show that

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notification was not reasonably possible. If an emergency repair is initiated by you, without our knowledge, outside normal business hours, you must notify us as soon as reasonably possible and you will be responsible for providing any documentation reasonably required by us to fulfill our obligations to you under this Plan; provided however in no event will we be liable for any emergency repairs in an amount in excess of the Limit of Liability under the terms of this Plan. All service requests must be authorized by Guardian prior to any covered service repair or replacement effort being initiated. Other than an emergency repair, any repairs not authorized by us will void coverage for the related claim.

The third paragraph ("If the retailer from whom this Plan was purchased...") of the LIABILITY section is deleted in its entirety.

All service repairs will be made using manufacturer's parts. If not reasonably available, non-manufacturer's parts will be used.

The "**Insurance Securing this Plan**" section is deleted and replaced by the following: **Insurance Securing this Plan:** This is not an insurance policy. This Plan is secured by a contractual liability policy provided by Continental Casualty Company, 333 S Wabash Ave, Chicago, IL 60604, 1-800-831-4262. Should we fail to pay or provide service on any claim within sixty (60) days after proof of loss has been filed, you are entitled to make a claim directly against the Insurance Company.

The **Arbitration** section is replaced by the following: Any matter in dispute between you and us may be subject to arbitration as an alternative to court action pursuant to the rules of the American Arbitration Association (or other recognized arbitrator), a copy of which is available on request from us. Any decision reached by arbitration shall be binding upon both you and us. The arbitration award may include attorney's fees if allowed by state law and may be entered as a judgment in any court of proper jurisdiction.

**Vermont Residents:** If you are the original purchaser of this Plan, you have the right to return the Plan within at least twenty (20) days of the receipt of the Plan. If no claim has been made under the Plan, the Plan shall be void and we shall refund to you the full purchase price of the Plan. Any civil action or alternative dispute resolution procedure brought by you in connection to the Plan can be brought in Vermont.

**Washington Residents:** If you are the original purchaser of the Plan, you have the right to return the Plan within at least twenty (20) days of the date of mailing of the Plan to you or within at least ten (10) days if the Plan is delivered to you at the time of the sale or within a longer time period permitted under the Plan. If no claim has been made under the Plan, the Plan shall be void and we shall refund to you the full purchase price of the Plan, plus a ten percent (10%) penalty per month shall be added to any refund that is not

made to you within thirty (30) days of return of the Plan to us for cancellation. If we fail to act on your claim, you may contact Continental Casualty Company directly at 1-800-831-4262. You are not required to wait sixty (60) days before filing a claim directly with Continental Casualty Company. If we cancel this Plan, we shall mail a written notice to you at your last known address contained in our records at least twenty-one days prior to cancellation us. The notice shall state the effective date of the cancellation and the true and actual reason for the cancellation. Any civil action or alternative dispute resolution procedure brought by you in connection to the Plan can be brought in Washington at a location in closest proximity to your permanent residence. A person, such as a bank, savings and loan association, lending institution, manufacturer, or seller shall not require the purchase of a service contract as a condition of a loan or a condition for the sale of any property.

**Wisconsin Residents: THIS CONTRACT IS SUBJECT TO LIMITED REGULATION BY THE OFFICE OF THE COMMISSIONER OF INSURANCE.** This Plan shall not be cancelled due to unauthorized repair of the furniture item, unless we are prejudiced by your failure to obtain such authorization. We will not deny your claim solely because you did not obtain pre-authorization if we are not prejudiced by your failure to notify us.

In the event of a total loss of the furniture item covered by this Plan that is not covered by a replacement of the furniture item pursuant to the terms of this Plan, you shall be entitled to cancel the Plan and receive a pro rata refund of any unearned provider fee, less any claims paid.

For any reason other than the above, you have the right to return the Plan within at least twenty (20) days of the date of mailing of the Plan to you or within at least ten (10) days if the Plan is delivered to you at the time of the sale or within a longer time period permitted under the Plan. If no claim has been made under the Plan, the Plan shall be void and we shall refund to you the full purchase price of the Plan, plus a ten percent (10%) penalty per month shall be added to any refund that is not made to you within forty-five (45) days of return of the Plan to us for cancellation. Subsequent to the period specified above or if a claim has been made under the Plan, you have the right to cancel the Plan and receive a 100% refund of the unearned Plan purchase price, less any claims paid. We may charge a reasonable administrative fee for the cancellation, which may not exceed 10% of the Plan purchase price.

This service contract may be cancelled by us only for nonpayment of our fee, material misrepresentation by you to us or the Administrator, or substantial breach of duties by you relating to the covered product or its use. We shall mail a written notice to you at your last-known address contained in our records at least five (5) days prior to cancellation by us. Such cancellation shall state the effective date of the cancellation and the reason for the cancellation. If we cancel for a reason other than nonpayment of our fee, we shall refund to you 100% of the

**SAMPLE**

unearned Plan purchase price, less any claims paid. We may charge a reasonable administrative fee for the cancellation, which may not exceed 10 percent of the Plan purchase price.

Obligations of the provider under this service contract are insured under a service contract reimbursement insurance policy. If we do not provide, or reimburse or pay for, a service that is covered under this service contract within 60 days after you provide proof of loss, or if we become insolvent or otherwise financially impaired, you may file a claim directly with the service contract reimbursement insurer, Continental Casualty Company, for reimbursement, payment, or provision of service. You can do this by phoning or mailing Continental Casualty Company at 333 S Wabash Ave, Chicago, IL 60604, 1-800-831-4262.

The sentence "This Plan is evidence of a transaction in interstate commerce and the Federal Arbitration Act applies to and governs the enforcement of any arbitration hereunder" in the Arbitration paragraph of this Plan is deleted in its entirety.

Accidental Damage from Handling covers breakdowns such as: drops, liquid spills and cracked screens. There is no deductible that you are required to pay under this contract.

**Wyoming Residents:** This Plan will be considered void and we will refund you the full purchase price of the Plan or credit your account if you have not made a claim under this Plan and you have returned the Plan to us a) within 20 days after the date we have mailed the Plan to you, b) within 10 days after you have received the Plan if the Plan was furnished to you at the time the Plan was purchased, or c) within a longer time period if specified in the Plan. A ten percent (10%) penalty per month shall be added to a refund that is not paid or credited within forty-five (45) days after return of the Plan to us. This right to void the Plan applies only to the original Plan purchaser and is not transferable. The Arbitration provision in this Plan is replaced with the following: "If there are disputes between you and us that are not resolved by negotiations, you and we may in a separate written agreement voluntarily consent to arbitration. Any arbitration proceedings shall be conducted within the state of Wyoming." For the purpose of this Arbitration provision, references to "we" and "us" include the Plan Obligor and Administrator, as defined above, and their respective parents, subsidiaries, affiliates, service contract insurers, agents, employees, successors and assigns. A person, such as a bank, savings and loan association, lending institution, manufacturer or seller of any product, shall not require the purchase of a service contract as a condition of a loan or a condition for the sale of any property.

CWS-SC-CG-GAR-1.0 (ed. 07-17)

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