

# EZ-GUARD

## TERMS AND CONDITIONS

### I – DEFINITIONS

ADMINISTRATOR, WE, US, or OUR: means the ADMINISTRATOR, provider, and obligor of this CONTRACT - Marathon Administrative Co., Inc., 1716 Corporate Crossing Suite 2, P.O. Box 961, O'Fallon, IL 62269, 1-877-300- 3946.

CONTRACT: means this Vehicle Service Contract.

CONTRACT HOLDER, YOU, or YOUR: means the purchaser or holder of this CONTRACT.

COVERED PART(S): means BREAKDOWN of a part not excluded in this CONTRACT.

COVERED VEHICLE or VEHICLE: means the VEHICLE covered by this CONTRACT, which is the one identified on the declaration page.

DEDUCTIBLE: In the event of a BREAKDOWN of a part, repaired or replaced under the terms and conditions of this CONTRACT, the PURCHASER will be subject to pay the applicable DEDUCTIBLE as specified on the declaration page.

PARTICIPATING LENDER: means any financial institution providing financing for the purchase of the VEHICLE and/or this CONTRACT.

MANUFACTURER'S WARRANTY: In the event of a BREAKDOWN of a part, whose repair or replacement is provided for under a MANUFACTURER'S WARRANTY or Special Policy Program, payment will be provided for the required manufacturer's deductible, less the DEDUCTIBLE specified above.

MECHANICAL BREAKDOWN or BREAKDOWN: means a breakage or total failure of a COVERED PART. BREAKDOWN does not provide for damage resulting from the failure of an excluded part(s) or the lack of proper maintenance services. Minor loss of fluid or seepage is considered normal and is not considered a MECHANICAL BREAKDOWN. A BREAKDOWN does not include gradual reduction in operating performance due to normal wear and tear.

TERMS: Coverage under this CONTRACT begins on the CONTRACT purchase date listed on YOUR declaration page and will expire when this CONTRACT is terminated.

WAITING PERIOD: means no claims or Roadside Assistance will be paid on any claims or failures that occur within the number of days and miles specified on the declaration page from the odometer reading and sale date specified on the declaration page. The WAITING PERIOD also applies to CONTRACTS with a lapse in coverage due to non-payment.

Notice: This contract is renewable by your monthly payment. By making your monthly payments, you are keeping your contract in force until you stop paying the monthly payments, until which time your contract shall be cancelled.

## **II – INSURANCE COMPANY STATEMENT**

The performance and obligations of the provider for covered repairs under this CONTRACT are guaranteed and insured separately by a Reimbursement Insurance Policy issued by Marathon Financial Insurance Company, Inc., A Risk Retention Group, ("Insurer"), with its office located at 1716 Corporate Crossing, Suite 2, O'Fallon, IL 62269, 800-205-8988. If the Claims ADMINISTRATOR fails to pay a claim under this CONTRACT within 60 (sixty) days of proof of loss by YOU, the service CONTRACT HOLDER, YOU may make a direct claim against Marathon Financial Insurance Company, Inc., RRG by writing to the aforementioned address.

When YOU receive this CONTRACT read it carefully. Ensure that the Declaration Page is complete and accurate.

Purchase of this CONTRACT is not required in order to purchase or obtain financing for the COVERED VEHICLE. This CONTRACT is not issued by the manufacturer or wholesale company marketing the COVERED VEHICLE. This CONTRACT will not be honored by such manufacturer or wholesale company.

## **III – CONTRACT HOLDER OBLIGATIONS**

- In order for this CONTRACT to remain in force, the CONTRACT HOLDER is required to follow the vehicle manufacturer's required maintenance schedule. Some vehicle manufacturers require that the Timing Belt be changed a specific interval. CONTRACT HOLDER must follow the vehicle manufacturer's maintenance guidelines to avoid denial of a claim because of improper maintenance. The CONTRACT HOLDER must keep and make available verifiable, signed service/purchase receipts that show that this maintenance has been performed within the time and mileage limit requirements.
- The CONTRACT HOLDER and the Repair Facility are required to obtain an authorization number prior to beginning any repairs that would be covered by this CONTRACT.
- The CONTRACT HOLDER is responsible for paying a DEDUCTIBLE for each visit to the Repair Facility. The DEDUCTIBLE is specified on the declaration page.
- The CONTRACT HOLDER is responsible for authorizing and paying for any tear down or diagnosis time needed to determine if the COVERED VEHICLE has a covered BREAKDOWN. If it is subsequently determined that the repair is needed due to a covered BREAKDOWN, the ADMINISTRATOR will pay for such tear down or diagnosis. If the failure is not a covered BREAKDOWN, the CONTRACT HOLDER is responsible for payment of such tear down or diagnosis.

## **IV – ADMINISTRATOR OBLIGATIONS**

If a covered BREAKDOWN of the VEHICLE occurs during the term of this CONTRACT, the ADMINISTRATOR will: pay the CONTRACT HOLDER or the Repair Facility for repair or replacement, as ADMINISTRATOR deems appropriate of the COVERED PART(S) which caused the BREAKDOWN, if the CONTRACT HOLDER has met his/her obligations as described in this CONTRACT. Replacement parts can be of like kind and quality. They may include the use of new or remanufactured parts as determined by ADMINISTRATOR.

**V – LIMIT OF LIABILITY**

OUR liability for incidental and consequential damages including, but not limited to, loss of use of specified VEHICLE or resulting inconvenience, loss of time, storage charges, lodging, other travel cost, income, maintenance, or from the breach of any implied warranties arising by law, is expressly excluded.

**VI – BENEFITS**

<i>1-866-826-9355</i>	<b><u>ROADSIDE ASSISTANCE</u></b>	<i>1-866-826-9355</i>
<p>EMERGENCY ROADSIDE ASSISTANCE: Provides emergency road services for non-accident related incidents, where failure is due to a defect in material or workmanship.</p> <p>Benefit Limits: For the TERM OF YOUR AGREEMENT, the listed sign and drive (meaning YOU incur no expense up to program limit) benefits are available 24 hours a day / 365 days a year. The following <i>non-accident related</i> services are available for covered Breakdowns up to a maximum benefit of \$100.00 per incident:</p> <p><b><i>Towing   Jump Starts   Flat Tire Changes</i></b> (using YOUR inflated spare)   <b><i>Vehicle Fluid Delivery</i></b> (cost of VEHICLE fluids extra)   <b><i>Lockout Assistance</i></b> (key cutting/replacement extra)   <b><i>Concierge Services</i></b> (courtesy help and emergency phone call support to relatives, police, etc.</p> <p>Services not available in areas where state providers are exclusively utilized.</p> <p>** Benefits are limited to "cash call with reimbursement" service only for the first forty five (45) days of coverage. Please call Administrator with any Roadside Assistance services within the first forty five (45) days of coverage: 800-205-8988. **</p>		

**SUBSTITUTE TRANSPORTATION:** Should YOUR COVERED VEHICLE become inoperable due to the BREAKDOWN of a part (not excluded), upon authorization, payment will be provided to reimburse YOU for actual expenses incurred when renting a vehicle from a licensed car rental agency. Benefits will be allowed only for reasonable time necessary to complete the repair with a maximum benefit of five (5) calendar days. Maximum daily rental allowance is thirty dollars (\$30.00) per day, not to exceed one hundred fifty dollars (\$150.00) per visit. If due to part availability, and the repair cannot be completed in five (5) calendar days, an additional five (5) days may be allowed at thirty dollars (\$30.00) per day with a maximum additional benefit of one hundred fifty

dollars (\$150.00), PROVIDED ADDITIONAL AUTHORIZATION IS OBTAINED FROM THE ADMINISTRATOR.

**LODGING REIMBURSEMENT:** Reimburse the CONTRACT HOLDER for motel and restaurant expenses up to \$50 per day for a maximum of three (3) days in the event of a BREAKDOWN covered by the CONTRACT, which occurs more than one hundred (100) miles from YOUR home and results in a Repair Facility keeping the COVERED VEHICLE overnight. The maximum benefit per occurrence is \$150. To receive motel and restaurant reimbursement, the CONTRACT HOLDER must supply ADMINISTRATOR with his/her receipts from the providers of such services.

**EXTENDED TOWING BENEFIT:** In the event that YOUR towing benefit (included in the Roadside Assistance plan or provided by YOUR vehicle manufacturer) does not cover the full amount of the tow for an authorized repair, we will reimburse you up to one hundred dollars (\$100.00) per occurrence for charges in excess of any other disbursements from other towing coverage plans. No deductible will apply to this coverage.

## **VII. COVERAGES – WHAT THIS CONTRACT COVERS**

**1. Engine:** Crankshaft and bearings, oil pump, internal timing gears, timing chain, camshaft, camshaft bearings, valve lifters, rocker arm assemblies and push rods, pistons and rings, wrist pins, cylinders, connecting rods, distributor drive gear, all internal components of engine block and cylinder heads, if damage is caused by mechanical failure of an internally lubricated part. Gaskets and external seals will be covered if their replacement is necessary to complete an otherwise authorized repair. Broken crankshaft is covered if break is caused by either bearings or piston failure. Valve guides are covered only when guide sleeves have not slipped below original Position.

**2. Transmission/Transaxle:** The internal components of the automatic transmission or manual transmission, drive chain, drive chain gears, carrier bearings, internal transaxle seal. The manual transmission case and automatic transmission case and torque converter are covered, if damaged by the failure of internally lubricated parts.

**3. Transfer Case:** Transfer Case, Drive Chain, Drive Chain Gears, Planetary Gears, Shift Rail Forks, Bearings, Bushings, Oil Pump, Output Shaft, Main Shaft Washers and all other internal lubricates parts.

**4. Differential Assembly (Front and Rear):** Differential Housing, Axle Shaft, Ring and Pinion, Bearing (internal), Bushing, Washers, Differential Cover and all other internal parts contained with the differential assembly.

**5. Timing Belt:** If contract holder has followed manufacturer's recommended maintenance intervals for replacement.

**6. CV Joints:** CV boots must not be torn at the time of failure. Lubricated joint failure only. Universal Joint (U Joint) is not included.

**7. Steering:** Internally lubricated parts contained within the steering box and pump housing, including rack and pinion, control valves, internal oil control seals, bearings and shafts, steering box and pump housings if damaged by the failure of internally lubricated parts.

**8. Seals and Gaskets:** Head gasket and intake manifold gaskets are covered for coolant leaks only on vehicles up to 100,000 miles.

**9. Hi-Tech Electrical:** Alternator, starter motor, front and rear wiper motor, cooling fan motor, voltage regulator, distributor, ignition module, ignition coil, starter solenoid, wiring harness, power window switches, door lock switches, cruise control module, power window motors, power seat motors, power mirror motor, power door lock actuator and switch, power sunroof motor, mileage computer, electronic instrument cluster, distributor, ignition coil, automatic climate control, electronic control module, head light switch, convertible top motor, clock, electric horn.

**10. Air Conditioner:** Condenser, Compressor, Compressor Clutch and Pulley, Air Conditioning Lines and Hoses, Idler Pulley and Idler Pulley Bearing, High-low Compressor Cut-Off Switch, Expansion Valve, Pressure Cycling Switch.

**11. Suspension:** (Front and Rear) Control arms, control arm shafts, stabilizer bar, stabilizer link, stabilizer bushing, spindle, torsion bars, height sensor.

**12. Cooling System:** Water pump, thermostat, mixture control valve, overflow reservoir.

**13. Fuel System:** Fuel pump, pressure regulator, metering valve, fuel injectors, vacuum pump, metal fuel delivery lines, fuel tank, fuel sender.

**14. Turbo Charger/Supercharger:** All internally lubricated parts due to mechanical failure.

**15. Brake System:** Master cylinder, wheel cylinders, disc brake calipers, ABS master cylinder, vacuum booster, hydraulic lines and fittings, pressure modulator valve, isolation dump valve, accumulator, wheel speed sensors.

**16. Fluids:** Engine oil, power steering fluid, antifreeze, and transmission fluid are all covered items when required during the authorized repair process.

#### **SURCHARGES**

**Diesel:** If YOU have a diesel vehicle, this Surcharge must be selected on the application page. The following benefits are provided to YOU: By mechanical failure only-fuel pump (electrical or mechanical), pressure regulator, metering valve and fuel injector.

#### **OPTIONAL COVERAGE**

**Conversion Van Coverage:** If YOU have selected to purchase this Optional Coverage and the box marked Conversion Van Coverage is checked on the application, the following benefits are provided to YOU: (All parts listed must be installed by a Licensed

Van Conversion Company): **Electronic** - Compact Disc Player, Cassette Player, Speakers, Video Cassette Player/Recorder, Auxiliary Light Switches, and Captain Chair Motor and Switch. **Rear Air Conditioner** - Expansion Valve, Evaporator, Capacitors, Relays, Blower Motor and Switch, and Seals and Gaskets.

**VIII. EXCLUSIONS – WHAT THIS CONTRACT DOES NOT COVER**

1. **ANY REPAIR OR REPLACEMENT MADE WITHOUT PRIOR AUTHORIZATION FROM THE ADMINISTRATOR TO THE REPAIR FACILITY.**
2. Any parts not listed under covered parts. Examples of parts not covered are: battery, brake drums, disc brake rotors, brake linings and disc brake caliper pads, shock absorbers, bolts, nuts, fasteners, standard transmission clutch assembly, and manual and hydraulic linkages.
3. Any breakdown caused by collision, fire, theft, vandalism, riot, explosion, lightning, earthquake, overheating, regardless of the cause, freezing, rust or corrosion, windstorm, hail, water, or flood, foreign materials, sludge, carbon deposits and coolant intermix.
4. Any breakdown caused by misuse, abuse, negligence, lack of normal maintenance (adjustments, alignments, tune-ups, etc.), failure to protect YOUR VEHICLE from further damage when a breakdown has occurred, failure to maintain proper levels of lubricants and/or coolants, or if YOUR VEHICLE has been used for racing or any other forms of competitive driving, plowing snow, or for towing a trailer weighing in excess of 2,000 pounds or any vehicle or object unless YOUR VEHICLE is equipped with a factory-installed or authorized tow package.
5. A gradual reduction in operating performance due to normal wear and tear, such as but not limited to: low compression and/or oil consumption (i.e. pistons, piston-rings, cylinder tapers, valves, valve guides, valve seals, and valve seats). Damages caused to the above listed parts by predetonation or detonation are not considered a BREAKDOWN under the terms and conditions of this CONTRACT.
6. A breakdown caused by an improper previous repair or misdiagnosis by a repair facility.
7. Excessive cost to repair or replace a listed part. Reasonable cost being: labor cost to be determined by a flat rate labor manual (i.e. Chilton) multiplied by the customary labor charge for the repair/replacement of a protected part. The labor rate allowed shall not exceed the national average labor rate.
8. Loss or expense to the VEHICLE, when the odometer is inoperative or stopped, improper recorded calculation, tampered with or altered.
9. Any alterations which have been made to YOUR VEHICLE, or YOU are using or have used YOUR VEHICLE in a manner which is not recommended by the manufacturer, including the failure of any custom or add-on part.
10. **INELIGIBLE VEHICLES:** Any vehicle not expressly listed on the current contract rate card: Vehicles with True Mileage Unknown (TMU), any vehicle that is flood damaged, Trucks over 1 ton classification, taxis, buses, and city and state owned vehicles, vehicles used for commercial purposes, vehicles

used for racing competition, time trials or rallies, vehicles modified from manufacturer's specifications, vehicles not purchased/authorized through a licensed authorized agent, and vehicles purchased by a minor. Any grey market vehicles, salvaged or branded title vehicle or vehicles where the manufacturer's warranty has been voided or rescinded. Any vehicle with true mileage unknown at contract inception date.

11. Repairs for which the responsibility is covered by any warranty of the manufacturer such as extended drive train coverage, or a repairer's guarantee. Further, coverage under this AGREEMENT is similarly limited in the event of a breakdown if the manufacturer has announced its responsibility through any means including public recalls and factory service bulletins.
12. Any breakdown caused by contamination of fluids, fuels, coolants, lubricants, rust or corrosion, nuts, bolts and fasteners.
13. Liability for damage to property, or for injury or death arising out of operation, maintenance or use of YOUR VEHICLE described in this AGREEMENT, whether or not related to the part covered.
14. Any loss caused by lack of proper and necessary amount of coolants or lubricants.
15. Maintenance services and Parts described in your vehicle's owner's manual as supplied by the manufacturer. These include, but are not limited to: filters, lubricants, coolants, fluids, refrigerants, alignments, tune-ups, spark plugs, hoses, belts, brake pads, wiper blades, light bulbs, exhaust systems, trim holdings, upholstery, carpet and paint.
16. Any pre-existing conditions.
17. Video equipment or remote compact disc players.

#### **IX. WHAT TO DO IF YOU HAVE A BREAKDOWN**

1. Use all reasonable means to protect the COVERED VEHICLE from further damage. This may require YOU to stop the COVERED VEHICLE, turn off the engine, and have the COVERED VEHICLE towed.
2. Present this CONTRACT to the Repair Facility, call ADMINISTRATOR, toll free at 1-877-300-3946. ADMINISTRATOR can be reached through the mail at P.O. Box 961, O'Fallon, IL 62269.
3. Prior to proceeding with repairs, ensure the Repair Facility calls ADMINISTRATOR with an estimate of repairs and receives an authorization number from ADMINISTRATOR.
4. ADMINISTRATOR reserves the right to inspect any BREAKDOWN prior to authorization.
5. In-home service is not provided under this CONTRACT. Any payment of the costs of transporting the COVERED VEHICLE for service is provided under this CONTRACT exclusively pursuant to the terms and conditions of this CONTRACT.
6. The CONTRACT HOLDER is responsible for paying a DEDUCTIBLE for each visit to the Repair Facility, as specified on the declaration page.

#### **X. HOW TO SUBMIT A CLAIM**

1. Contact or have a representative of the repair facility contact ADMINISTRATOR'S Claim Department BEFORE any work is performed by calling 1-877-300-3946.
2. Upon diagnosis and determination of covered items, subject to the terms and conditions of this CONTRACT, ADMINISTRATOR will issue an authorization number. The authorization number MUST appear on all repair bills. Failure to obtain authorization PRIOR TO REPAIRS will result in non-payment of claim. Fraudulent or misuse of this CONTRACT will result in non-payment of claim and cancellation of this CONTRACT. ADMINISTRATOR RESERVES THE RIGHT TO INSPECT ALL VEHICLES PRIOR TO OR AFTER REPAIRS ARE PERFORMED.
3. For emergency repairs, should a BREAKDOWN occur after the ADMINISTRATOR'S normal business hours or on a national holiday, the pre-authorization requirement is amended. The ADMINISTRATOR must still be contacted when reasonably possible following the BREAKDOWN. Such unauthorized repair claims will be subject to adjustment in cases of excessive parts or labor charges. The labor cost to be determined by a flat rate labor manual (i.e. Chilton) multiplied by the customary labor charge for the repair/replacement of a protected part. The labor rate allowed shall not exceed the national average labor rate.
4. Upon the filing of a claim under this CONTRACT, ADMINISTRATOR will verify the validity of the CONTRACT (proper owner, proper vehicle, CONTRACT still in force), verify the BREAKDOWN with the Repair Facility, verify coverage, and authorize repair of COVERED PARTS (provide Repair Facility with authorization code and confirm cost of repair). Payment is provided through direct billing, credit card, or CONTRACT HOLDER reimbursement.
5. **PAYMENT OR REIMBURSEMENT OF CLAIMS PAYMENT OPTION:**  
When the damage and repair falls within the scope of this CONTRACT, and authorization to proceed with the repair is obtained from the ADMINISTRATOR and the repair work is completed, WE will then reimburse YOU or the repair facility for the approved cost of the work performed on YOUR VEHICLE that is covered by this CONTRACT less the Deductible (if any) and state sales tax, unless there is still a balance due on any amount financed by you at the time YOU purchase this CONTRACT. If a balance is due, the claim amount will first be paid to the financing source and any balance payable to YOU or YOUR repair facility. The ADMINISTRATOR will arrange for such payment by check or nationally recognized credit card (usually Visa ® or MasterCard ®.)  
**REIMBURSEMENT OPTION:** YOU or the repair facility may claim reimbursement from the ADMINISTRATOR, by submitting the paid invoice to the address below. Claims must be submitted within 180 days from the ADMINISTRATOR authorization date to qualify for reimbursement. If YOU show that it was not reasonably possible to give notice or file the proof of loss within the 180 days and that notice was filed as soon as reasonably possible, then YOU will still receive reimbursement for YOUR claim. The following information must be included with YOUR paid invoice and is generally supplied to YOU by the repair facility YOU selected:
  1. Your mechanical complaint.
  2. Itemized listing of replacement parts names, numbers and prices.



3. Description of labor and charges necessary to correct the mechanical failure.
4. Vehicle Mileage.
5. Date of Repair.
6. Authorization and contract number.
7. Completed repair order (all applicable sublet repair bills). Rental Car agreement charges (licensed rental agency only) will be reimbursed to you upon receipt by the Administrator of the paid rental agreement charges.
8. A signed Work Completed Form. This form will be provided to YOUR repair facility by the ADMINISTRATOR.

#### **XI. CANCELLATION PROCEDURE**

1. All cancellation requests made within thirty (30) days of the CONTRACT Purchase Date will be eligible for a full refund.
2. All cancellation requests made after thirty (30) days of the CONTRACT Purchase Date:
  - a. Shall be subject to a seventy-five dollar (\$75.00) cancellation fee
  - b. Will be pro-rated by the time remaining on this CONTRACT, less claims paid.
3. The ADMINISTRATOR will cancel this contract at any time if YOU do not pay the purchase price.

#### **XII. TRANSFER PROCEDURE**

**This Agreement may not be transferred upon sale of the vehicle to another private party.**

#### **XIII. GENERAL PROVISIONS**

- A. **ARBITRATION:** All claims or disputes relating to this CONTRACT or the breach thereof shall be decided by binding arbitration unless YOU and ADMINISTRATOR agree otherwise. Arbitration shall be specifically enforceable under the prevailing arbitration law. ADMINISTRATOR agrees to use one (1) arbitrator, mutually acceptable to YOU and ADMINISTRATOR. Written notice of the request for arbitration must be filed with ADMINISTRATOR within a reasonable time after the claim or dispute has arisen, but not later than one (1) year after the claim or dispute arises. The award rendered by the arbitrator shall be final and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction. If YOU have any legal claim against ADMINISTRATOR and do not agree to arbitration, YOU agree that any action, claim, or suit shall only be brought in the District Court, St. Clair County, Illinois. If YOU bring any such action, claim, or suit against ADMINISTRATOR in any court or forum other than in the District Court, St. Clair County, Illinois, ADMINISTRATOR can seek dismissal of YOUR action, claim, or suit and require that it be maintained in St. Clair County, Illinois.
- B. **SUBROGATION:** In the event benefits are paid under this CONTRACT, ADMINISTRATOR shall be subrogated to all the rights YOU have to recover against any person or organization arising out of any failure subject to any recall campaign, as well as any order, judgment, consent decree or other settlement. YOU shall execute and deliver instruments and papers and do whatever is necessary to secure

such rights. Further, all amounts recovered by YOU for which YOU have received benefits under this CONTRACT, shall belong to, and be paid to ADMINISTRATOR up to the amounts of benefits paid under this CONTRACT.

- C. NOTICE: The ADMINISTRATOR may adjust the monthly purchase price by providing a sixty (60) day notice to YOU.