

SURGE SHIELD TERMS AND CONDITIONS

These Surge Shield Terms and Conditions ("Terms") shall govern Your purchase of the Surge Protection Service Plan ("Plan") from the Obligor for Your Covered Property located at Your Residential Address. This Plan is not a contract of insurance. Unless otherwise regulated under state law, the contents under this Plan should be interpreted and understood within the meaning of a "service contract" in Public Law #93-637.

1. DEFINITIONS.

- 1.1 **Administrator** means Home Warranty of the Midwest, Inc., with offices located at 303 S 2nd Ave., Rock Rapids, IA 51246.
- 1.2 **Aggregate Annual Claim Limit** means the maximum that the Obligor will pay You for aggregate losses for all Claims from You received within a twelve-month (12) period from the Effective Date and every twelve-month period thereafter pursuant to these Terms and in accordance with Exhibit A.
- 1.3 **Claim** means Your request for payment, pursuant to these Terms, for Failure of Covered Property caused by a Power Surge.
- 1.4 **Coverage Limit** means the maximum that the Obligor will pay You for any one Claim and Power Surge event.
- 1.5 **Covered Property** means the categories of products set forth in Exhibit A that are owned by a household member, and that are located at Your Residential Address set forth in the Electronics Rider, or the Appliance and Systems Rider, or both, depending upon the coverage is selected by You, subject to the exclusions of Section 2.2 below.
- 1.6 **Effective Date** means the effective date of the coverage under the Plan as set forth in Exhibit A.
- 1.7 **Exhibit A** means the Exhibit A (Coverage Summary) attached hereto.
- 1.8 **Failure** means that Covered Property becomes inoperable and unable to perform its designed function.
- 1.9 **Obligor** means Home Warranty of the Midwest, Inc., located at 303 S 2nd Ave., Rock Rapids, IA 51246.
- 1.10 **Obligor Entities** means Obligor, its parent, their affiliates, subsidiaries and their respective officers, directors, employees, contractors, and assigns.
- 1.11 **Plan Fee** means the monthly or annual fee for the Plan set forth in Exhibit A, plus applicable state sales tax, that you agree to pay.
- 1.12 **Power Surge** means an occurrence of a sudden and non-continuous increase or burst of electricity or electrical current, caused by natural or man-made events including lightning strikes, power returning after an outage, and wildlife interfering with power lines.
- 1.13 **Replacement Value** means the cost (excluding all applicable transactional taxes and deliveries and/or shipping costs), at the time of the Claim, to purchase property of like kind and quality and of comparable performance to the applicable Covered Property.
- 1.14 **Residence** means Your residence owned by You and used solely by You and your family for residential purposes.
- 1.15 **Residential Address** means the designated location of Your Residence, as set forth in the Rider(s), and any subsequent Residence within the service area of Obligor. You may contact Administrator for information regarding the service area of Obligor.
- 1.16 **Rider** means an attached exhibit which describes the Plan terms.
- 1.17 **Technician** means a licensed and insured individual and/or entity in the particular trade that is qualified to assess the damage to the Covered Property caused by a Power Surge.
- 1.18 **You or Your** means the account name of record with Administrator for the Residence and who is the purchaser of the Plan.

2. SCOPE OF PLAN.

- 2.1 **Plan Coverage.** In consideration of payment of the monthly or annual Plan Fee and subject to the Terms, the Plan provides for reimbursement, by the Obligor of the repair of the Covered Property, or if not repairable in accordance with Section 3.1, the Replacement Value of the Covered Property, in the event that Your Covered Property is subject to a Power Surge that results in a Failure of the Covered Property, plus reasonable Technician costs or fees associated with the evaluation or determination of the cause of Failure (Technician diagnostic fee, trip charge, etc.). If a like kind or quality product is unavailable, at the Obligor's discretion, You may receive the Replacement Value of a product that is the most comparable replacement of the Covered Property. In no event will the reimbursement by the Obligor of the Replacement Value of the Covered Property exceed the original purchase price of the Covered Property (excluding all applicable transactional taxes and delivery and/or shipping costs). The Plan Fees charged for the Plan are not subject to regulation by the Office of Insurance Regulation of the Financial Services Commission. Neither the Administrator nor the Obligor shall have an obligation to pay a Claim if You are in default of Your obligations to make payment of the monthly or annual Plan Fee.
- 2.2 **Property Not Covered.** The Plan does not cover the following:
 - a. **Failure of Covered Property prior to the Effective Date;**
 - b. **Damage to any property not specifically named as Covered Property in Exhibit A, including but not limited to medical or life support equipment, antiques, plumbing;**
 - c. **Failure of Covered Property due to any cause other than a Power Surge, including but not limited to Failure resulting caused by normal wear and tear, accident, abuse, misuse, unauthorized product modifications or alterations, failure to follow the manufacturer's instructions, vandalism, Acts of God (such as fire, windstorm, flood, hurricane or other similar acts) other than lightning, continuous steady over-voltages as a result of power delivery system damage or flaws, or a caused by an onsite backup generator;**
 - d. **Damage to any property not owned by a household member or located at the Residential Address at the time of loss;**
 - e. **Any property that is not used for residential purposes, including but not limited to property located in a dwelling used in whole or in part for commercial purposes such as, but not limited to, a day care facility, a group home (5 or more unrelated individuals cohabiting in same household) or fraternity-type house, "bed and breakfast", church or school, and property that is used commercially.**
 - f. **Failure of Covered Property not reported in a Claim within thirty (30) days of the date of the applicable Power Surge.**
 - g. **Any losses, costs of fees not directly related to the Replacement Value of the Covered Property, including but not limited to loss or corruption of data and/or the restoration of software and operating systems associated with any Covered Property, any costs associated with upgrades, components, parts, or equipment required due to the incompatibility of any existing equipment with the replacement system, service line or component, or part thereof, any costs associated with construction, carpentry, or**

other modifications made necessary by the existing equipment or installing different equipment or as necessary to comply with federal, state, and local law, code, regulation, or ordinance, and any fees or costs associated with the removal, installation or re-installation, and/or disposal of (1) old and/or replacement systems, (2) service lines and/or (3) components, and any fees or any costs related to disposal fees arising from hazardous or toxic material, or asbestos.

- h. **Covered Property and or any components that do not meet industry standards; and**
- i. **Failure of Covered Property that is covered by any insurance policy or other service plan or service warranty.**

- 2.3 **Administration.** The obligations of the Administrator under the Plan shall be limited to the collection and processing of monthly or annual Plan Fees and cancellations, the processing of Claims, the distribution of Claim payments on behalf of the Obligor, and termination of participation in the Plan. BY ENROLLING IN THE PLAN, YOU ACKNOWLEDGE AND AGREE THAT IN NO EVENT SHALL ADMINISTRATOR BE LIABLE TO YOU OR ANY OTHER PERSON FOR ANY DAMAGES RESULTING FROM THE OBLIGOR'S OR THE OBLIGOR'S NON-PAYMENT OF ANY CLAIM.

3. FILING A CLAIM.

- 3.1 **Claims Process.** The following describes the Claims process that must be followed in order to seek reimbursement for the repair, or if not repairable, for Replacement Value of Your Covered Property, in the event of a Failure of Your Covered Property caused by a Power Surge:
 - a. You must obtain a Claim form by either contacting the Administrator or downloading a Claim form from Administrator's web site.
 - b. The Claim form must be completed in full and returned to the Administrator within thirty (30) days from the date that You discovered a Failure to Covered Property caused by a Power Surge.
 - c. Your Claim form must include a copy of Your invoice from the Technician that satisfies the requirements of Section 3.1.d below.
 - d. The invoice from the Technician must (i) be on business letterhead including name, address, and telephone number of the qualified Technician (ii) must include a complete description of Covered Property, and (iii) the cost of the repair of the Covered Property, or a statement that such Covered Property is not repairable.
 - e. If the Covered Property is not repairable, You must also submit a receipt for, or documentation reasonably establishing the Replacement Value.
- 3.2 **Qualified Technician.** The Obligor and Administrator reserve the right in all cases to determine, in their reasonable discretion, if a particular Technician is qualified. In order to obtain customer service related to any Claim, Administrator may be contacted at 1-877-977-4949 from 8am - 5pm Central Standard Time, Monday - Friday or send correspondence to 303 S. 2nd Avenue, Rock Rapids, IA 51246.
4. **WARRANTY.** The Obligor and Administrator warrant that their obligations under these Terms will be performed in a professional and workmanlike manner. NO OTHER WARRANTY OR REMEDY OF ANY KIND, WHETHER STATUTORY, WRITTEN, ORAL, EXPRESS, OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OR MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTIES

ARISING FROM COURSE OF DEALING OR USAGE OF TRADE SHALL APPLY.

5. **TRANSFERABILITY.** If You move to a new Residence within the service area of Obligor, You agree to automatically have Your Plan coverage transferred to the new Residential Address, and for continued billing of the monthly or annual Plan fee, on the date you provide in Your notice, provided you follow the administrative process of the Administrator for transfer as outlined below. If You change Residence, You must notify Administrator by calling toll-free at 1-877-977-4949, within thirty (30) days. Transferability is NOT automatic and is subject to availability. If You fail to notify Administrator and you move outside of the service area of Obligor, then the Plan coverage shall be automatically terminated at the discretion of Obligor, and no premiums shall be returned to You. If You fail to notify Administrator and you move within the service area of Obligor, you risk the coverage of Your plan if for failure to notify of You move as required herein. A change in rates may apply to a transferred plan. In the event of a higher rate for a new Residence, you agree to be billed for the difference in rates.
6. **LIMITATIONS OF LIABILITY.**
- 6.1 **Waiver of Non-Direct Damages.** IN NO EVENT SHALL THE OBLIGOR ENTITIES OR ADMINISTRATOR OR ITS AFFILIATES (COLLECTIVELY, "PLAN ENTITIES") BE LIABLE TO YOU OR ANY OTHER PERSON FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, SPECIAL, EXEMPLARY OR INDIRECT DAMAGES OR EXPENSES (INCLUDING, WITHOUT LIMITATION, LOST PROFITS, LOST SAVINGS OR REVENUE, LOST BUSINESS, LOSS OF USE OF THE COVERED PROPERTY OR ANY CONNECTED OR ASSOCIATED EQUIPMENT OR SOFTWARE, LOSS OR DAMAGE, COST OF CAPITAL, COST OF SUBSTITUTE OR RENTAL EQUIPMENT, SERVICE OR SOFTWARE, DOWNTIME, THE CLAIMS OF THIRD PARTIES, AND INJURY OR DAMAGE TO NON-COVERED PROPERTY) EVEN IF PLAN ENTITIES OR ITS CONTRACTORS WERE ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE FOREGOING SHALL APPLY TO THE FULLEST EXTENT ALLOWED BY LAW IRRESPECTIVE OF WHETHER LIABILITY IS CLAIMED, OR FOUND TO BE BASED IN CONTRACT, TORT OR OTHERWISE (INCLUDING NEGLIGENCE, WARRANTY OR STRICT LIABILITY).
- 6.2 **Maximum Liability.** The total liability of the Obligor Entities to You or any third party, for any and all claims arising from or related in any way to the Plan (whether in contract, tort, strict liability, or otherwise) is limited (1) per Claim to the Coverage Limit set forth in the attached Rider(s), and (2) in the aggregate during any twelve (12) month period from the Effective Date pursuant to these Terms and in accordance with the Aggregate Annual Claim Limit set forth in the attached Rider(s).
- 6.3 **External Coverage.** If Your claims are covered by another insurance or warranty plan, then this policy is secondary, and the other coverage shall be primary.
7. **FORCE MAJEURE.** The Obligor and Administrator shall not be responsible to You in an event or circumstance that

is not reasonably foreseeable, or that are beyond the reasonable control of and not caused by the Obligor or Administrator. Such events or circumstances may include, but are not limited to, actions or inactions of civil or military authority (including courts and governmental or administrative agencies), hurricanes, tropical storms, tornadoes, severe wind, or electrical storm, acts of God, war, riot or insurrection, blockades, embargoes, sabotage, epidemics, explosions, floods, strikes, lockouts, supply shortages or other labor disputes or difficulties.

8. **GOVERNING LAW; VENUE; WAIVER OF JURY TRIAL, WAIVER OF CLASS ACTION.**

These Terms and the Plan shall be governed by the laws of the State of Iowa. Any suit relating to these Terms or the Plan shall be instituted in any state or federal court in Lyon County, Iowa, and the parties submit to the sole and exclusive personal jurisdiction of such court. BY SIGNING UP FOR THE PLAN, YOU AGREE TO WAIVE ANY RIGHT TO HAVE A TRIAL BY JURY IN RESPECT TO ANY LITIGATION WITH ADMINISTRATOR OR OBLIGOR BASED UPON OR ARISING OUT OF, UNDER, OR IN ANY WAY CONNECTED OR RELATED WITH, THESE TERMS, THE PLAN, AND/OR THE PERFORMANCE OF SERVICES PROVIDED BY THE OBLIGOR AND ADMINISTRATOR. You agree to only bring any Claim against the Obligor or Administrator in Your individual capacity and not as a plaintiff or class member in any purported class or representative proceeding. While this provision is mandatory, the outcome shall be non-binding on the parties, and either party shall have the right to reject the award and bring suit in a court of competent jurisdiction. This action will take place in Lyon County, Iowa.

9. **SEVERABILITY.** If any provision of these Terms or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of these Terms, or the application of such provisions to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each provision of these Terms shall be valid and enforceable to the fullest extent permitted by law.

10. **ASSIGNMENT.** The Obligor or Administrator may, in their sole and unrestricted discretion assign, delegate, transfer, subcontract or otherwise dispose of its obligations hereunder to an affiliate or subsidiary, or other third party without notice to you. However, You shall not assign, delegate or otherwise dispose of Your obligations hereunder without the written consent of the Obligor or Administrator. Any such assignment in violation of this Section shall be null and void.

11. **TERM, TERMINATION, RENEWAL AND REFUNDS.**

11.1 **Term.** Coverage under this Plan begins on the Effective Date and will continue on a month-to-month basis until terminated pursuant to this Section.

11.2 **Termination.** Upon notice to You in any reasonable form, the Obligor or Administrator may terminate Your Plan in the event that (a) any regulatory agency promulgates any rule or order which in effect or application substantially impedes the Obligor or Administrator from fulfilling its obligations hereunder, or materially and adversely affects

the ability of the Obligor or Administrator to provide the Plan under these Terms, (b) You breach any term or condition contained herein, including without limitation, Your obligation to make payment of the monthly or annual Plan Fee by the due date of Your bill, or for fraud or material misrepresentation by you, or (c) the Obligor or Administrator, for its convenience and in its sole discretion, makes a commercial decision to (i) generally discontinue the Plan, or (ii) to discontinue Your specific participation in the Plan. You may terminate Your Plan at any time upon thirty (30) days written notice to Administrator.

11.3 **Renewal.** This Plan automatically renews on a month-to-month basis unless terminated by you, the Obligor or Administrator in accordance with Section 11.2. The Obligor or Administrator reserves the right to change the Plan Fees and/or coverage applicable to any renewal term. However, You will be notified of any such change(s), not less than forty-five (45) days prior to any renewal term.

11.4 **Refunds.** You will receive a full refund of any Plan Fee(s) if You provide Administrator a written request for refund within seven (7) days of the Effective Date and You have not filed a Claim pursuant to Section 3. The Administrator will process refunds within thirty (30) days. In the event that You terminate Your participation in the Plan pursuant to Section 11.2, the Administrator will process Your notice of termination within thirty (30) days of receipt and no refunds shall be due to you.

12. **AUTHORITY.** You represent to the Obligor and Administrator that You have the authority to enter into and bind You to these Terms, and that You shall bear all costs attributable thereto, and You shall, at Your own expense, defend, indemnify and hold the Obligor and Administrator harmless from and against all liability, loss or damage (including attorneys' fees) assessed against, suffered or incurred by the Obligor or Administrator as a result of an allegation or claim that You did not have such authority.

13. **ENTIRE AGREEMENT.** These Terms and attached Rider(s) are the entire understanding between the parties, and supersedes all prior agreements, representations and communications regarding this subject matter. The headings in these Terms are provided for convenience of reference only and shall not affect the construction of the text of these Terms. Obligor or Administrator reserves the right to make non-material updates (e.g., phone number, mailing address) and prospectively change these Terms from time to time by posting updated Terms at www.homewarrantyinc.com. You agree to the obligation to periodically review such location for authorized non-material updates to these Terms. Continued participation in the Plan after any such posted changes shall constitute your acknowledgment of and consent to such non-material changes. Notwithstanding the above, the Obligor or Administrator will provide you with written notice of any changes to the Terms that are material whether beneficial or adverse to you.

SURGE SHIELD PLUS
EXHIBIT A - ELECTRONICS RIDER

COVERAGE SUMMARY		
PLAN NUMBER:	EFFECTIVE DATE:	PLAN FEE: \$12 / MONTH or \$144/year plus tax (if applicable)
COVERAGE LIMIT: \$5000/Claim	AGGREGATE ANNUAL CLAIM LIMIT: \$10,000	
PLAN PURCHASER ("You or Your"):		
RESIDENTIAL ADDRESS:		

COVERED PRODUCTS	
TELEVISIONS	TABLETS & NETBOOKS
GAMING SYSTEMS	LAPTOP COMPUTERS
VIDEO SURVEILLANCE / ALARM MONITORING SYSTEMS	DVD / DVR / BLU-RAY & STREAMING MEDIA PLAYERS
DESKTOP COMPUTERS	KEYBOARDS / MICE
STORAGE DEVICES	AUDIO TUNERS / RECEIVERS / AMPLIFIERS
HOME THEATER SOUND SYSTEMS (SPEAKERS, SOUND BARS)	PRINTERS
DIGITAL CAMERAS	NETWORKING & WIRELESS DEVICES
MONITORS	PROJECTORS
LED LIGHT BULBS	

SURGE SHIELD
EXHIBIT A - APPLIANCE RIDER

COVERAGE SUMMARY

PLAN NUMBER:	EFFECTIVE DATE:	PLAN FEE: \$7/ MONTH or \$84/year plus tax (if applicable)
PER CLAIM LIMIT: \$5,000.00	AGGREGATE LIFETIME CLAIM LIMIT: \$10,000.00	
PLAN PURCHASER ("You or Your"):		
RESIDENTIAL ADDRESS:		

COVERED PRODUCTS AND EXCLUSIONS

- A. **Covered Products.** This Appliance Rider provides coverage for physical damage to Covered Appliances as defined below, caused by a Power Surge. "Covered Appliances" must be located within the residence or within four (4) feet of the residence and include only residential grade central air conditioners, furnaces, heat pumps, boilers, standard thermostats, clothes washers and dryers, refrigerators, freezers, dishwashers, garbage disposals, ovens, stoves, microwaves, hot water heaters, garage door openers, central vacuum (motor only), water softeners (motor only), sump pumps, ceiling fans
- B. **Exclusions.** Covered appliances do not include anything not specifically listed above in Section A and is subject to the exclusions of the Terms and Conditions. For the avoidance of doubt, coverage excludes (a) bodily injury to persons, (b) damages resulting from operation of the covered appliance under conditions exceeding its manufacturer's published specifications, such as surges beyond its capability, continuous steady over-voltages, voltage sags (commonly known as brownouts), under-voltages and open neutrals, as a result of power delivery system damage or flaws, (c) damages to wiring, electrical outlets, breaker panels, and meter sockets, (d) detached buildings, stand-alone buildings or buildings attached via breezeway or other such structures, (e) generators and damages caused by a customer's on-site backup generator, (f) elevators and elevator equipment, (g) electric cars or supplemental equipment associated with electric cars, (h) solar equipment, (i) any damages other than physical damage to Covered Appliances. (j) stand-alone "electronic equipment" using microchip or transistor technology, such as but not limited to, computers, stereos, televisions, DVD players, and security systems, (k) medical or life support equipment, or damage caused by a direct lightning strike not carried down the utility power lines or passing through the transformer and then the Covered Appliance.