

OLD REPUBLIC INSURANCE COMPANY

Summary of WIRELESS COMMUNICATIONS EQUIPMENT COMMERCIAL INLAND MARINE INSURANCE POLICY

Various provisions in the Policy restrict coverage. Read the entire summary carefully to determine rights, duties and what is and is not covered.

The words "we," "us" and "our" refer to Old Republic Insurance Company that is providing this insurance.

The terms 'you' and 'your' mean, as the context requires, the First Named Insured or any Additional Insured or both.

The word "Agent" refers to Asurion Insurance Services, Inc. (also referred to as "Asurion").

The term "Authorized Service Center" means Asurion Insurance Services, Inc who is providing repair and replacement services on our behalf.

The term "Wireless Service Provider" means Virgin Mobile USA, LP who is the First Named Insured, providing the wireless telephone or communication services which is used by the Covered Property.

A. COVERAGE

In exchange for premium paid when due, we agree to provide the coverage as stated in the Policy on a month to month basis, provided that any covered damage or loss to the Covered Property is sustained while your coverage is in effect.

1. Who Is Covered

a. First Named Insured

The First Named Insured is Virgin Mobile USA, LP for its interest in Covered Property.

b. Additional Insureds

The First Named Insured has the right to request Additional Insured status for a customer for his or her interest in Covered Property which he, she or it owns (referred to herein collectively with the First Named Insured as "Insured"). Requests for coverage for Additional Insureds are subject to our approval.

2. Covered Property

Covered Property means:

- a. The wireless device owned by you for which: 1) the unique identification number (International Mobile Equipment Identity (IMEI), Electronic Serial Number (ESN) or Mobile Equipment ID (MEID) of such wireless device is reflected in the records of the Wireless Service Provider at the time your coverage initially became effective; and 2) for which outgoing airtime usage has been logged with the Wireless Service Provider on your account after coverage became effective; unless you have logged outgoing airtime on a different wireless device immediately prior to the time of loss, in which case such wireless device becomes the covered property so long as :i) such wireless device is owned by you and you provide us proof of ownership; and ii) airtime usage was logged on such device on your account with the Wireless Service Provider immediately prior to the time of loss.
- b. The following Accessories, used with the wireless device above: One standard battery (as part of handset loss), One standard CLA, One standard leather case, One standard charger and One standard earpiece.

3. Property Not Covered

Covered Property does not include:

- a. Contraband or property used in the course of illegal transportation or trade.
- b. The value of, and the cost to research, replace or restore data, or programs non-standard for the make and model.
- c. Proprietary handsets included with automobile wireless systems and any motor vehicle or watercraft original or after-market equipment or accessories, whether or not permanently installed, including any antenna or wiring.
- d. Any other equipment or accessories not described as Covered Property.
- e. Property that has been entrusted to (including to and from) others for any service, repair or replacement, other than Asurion Insurance Services, Inc or its designee.
- f. Any fees or charges assessed by the Virgin Mobile USA, LP whether the charges incurred are legitimate or fraudulent.
- g. Face plates, personalized data, or customized or downloaded software such as music, PIM's, ring tones, games, screen savers.
- h. Wireless Equipment whose unique identification number (ESN, MEID or IMEI) has been altered, defaced or removed.
- i. Removable data storage devices.
- j. Non-standard batteries.

4. Coverage Period

We cover direct loss or damage that occurs during the policy period shown in the Declarations. Subject to G.4.b. and c., coverage for each Additional Insured begins when coverage of the Additional Insured is approved by us and the Additional Insured pays their first premium. If we do not approve your application for coverage, we will notify you within 30 days that you have not been accepted for coverage.

5. Coverage Territory

We insure the Covered Property worldwide.

Any claims occurring outside the United States will be processed in the United States.

6. Covered Causes of Loss

Covered Causes of Loss means risks of mechanical or electrical breakdown or being lost, stolen or directly damaged, except as limited or excluded elsewhere in the policy.

All other terms and conditions of the policy remain in full force and effect.

B. EXCLUSIONS

1. This insurance does not apply to loss or damage caused directly or indirectly by any of the following:

a. Governmental Authority

Seizure or destruction of property by order of governmental authority.

b. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused. If physical loss or damage by fire ensues, we will pay only for such ensuing loss or damage.

c. War

(1)War, including undeclared or civil war;

(2)Warlike action by a military force; or

(3)Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

2. This insurance does not apply to loss or damage caused by or resulting from any of the following:

a. Delay, Loss of Use

Delay, loss of use, loss of service, loss of market, or any other consequential loss or damage, including, but not limited to, loss of time, loss of profits, inconvenience or delay in repairing or replacing lost or damaged Covered Property.

b. Dishonest, Intentional, or Criminal Acts

Dishonest, intentional or criminal acts by an Insured or by any person entrusted with Covered Property, whether acting alone or in collusion with others, with respect to his or her coverage under this insurance.

c. Obsolescence

Obsolescence or depreciation.

d. Wear, Deterioration, Latent Defect

(1)Wear and tear, deterioration; or

(2)Hidden or latent defect, including equipment design defect, or any quality in the property that causes it to damage or destroy itself.

e. Cosmetic Damage

We will not repair or replace any cosmetic damage, however caused, that does not affect the manufacturer's intended use. This includes, but is not limited to:

(1)Cracking, marring, or scratching.

(2)Change in color or other change in the exterior finish.

f. Covered Under Warranty

We will not make any repair or replacement for loss or damage that is covered under the manufacturer's warranty. In the event we have knowledge of a prior malfunction, proof of repair may be required before coverage for future claims is applicable.

g. Late Claims

We will not cover claims reported to Asurion Insurance Services, Inc more than 30 days after the time of loss or damage.

h. Programming, Repair Work

Programming, cleaning, adjusting, repairing, modifying, or performing any other work upon Covered Property.

i. Virus

Computer virus or any other malicious code or similar instruction that:

(1)Disrupts the normal operation of the Covered Property; or

(2)Results in destruction of or unsuitability of data or programs stored in the Covered Property.

j. Voluntary Parting

Voluntarily parting with Covered Property by an Insured or by any person entrusted with Covered Property, whether or not induced to do so by any fraudulent scheme, trick, device or false pretense.

k. Intentional Loss or Damage

We do not cover damage to Covered Property which is the result of it having been used in a manner inconsistent for which it was designed or intended by the manufacturer. We also do not cover damage that is intentional or the result of abuse.

l. Pollution

The discharge, dispersal, seepage, migration or escape of pollutants. Pollutants means any solid, liquid, gaseous, or thermal irritant or contaminant including smoke, vapor, soot, fumes, acid, alkalis, chemicals, artificially produced electric fields, magnetic field, electromagnetic field, sounds waves, microwaves, all artificially produced ionizing or non-ionizing radiation and/or waste. Waste includes materials to be recycled, reconditioned or reclaimed.

C. LIMITS OF INSURANCE

The most we will spend, in any one occurrence, to repair or replace Covered Property due to a covered claim is either one hundred fifty dollars (\$150) if your device is found in Schedule A, two hundred fifty dollars, (\$250) if your device is found in Schedule B or one thousand dollars (\$1000) if your device is found in Schedule C attached hereto. These limits of Insurance apply separately to each covered claim.

Each Insured is limited to 2 losses in any consecutive 12 month time period. When this limit is exhausted, coverage will cease immediately and we will notify the Insured that his or her coverage has ceased and no future premiums are due.

These Limits of Insurance apply separately to each covered claim.

D. DEDUCTIBLE

The deductible is either \$25, \$65 or \$100 depending on whether the Covered Property is found in Schedules A, B, or C attached hereto and is non-refundable and is payable at the time a repair or replacement is approved by the Authorized Service Center. This Deductible will apply to each filed and approved covered claim, and does not reduce the Limit of Insurance. Only an Insured may pay the deductible.

E. INSURED'S DUTIES IN EVENT OF LOSS TO INSURED'S COVERED PROPERTY

In the event of loss or damage to Covered Property, the Insured presenting the claim must cooperate with us and see that the following are done:

1. Notify Wireless Service Provider

If the Covered Property is lost or stolen, notify Virgin Mobile USA, LP to suspend your wireless communications service prior to filing the claim.

2. Notify Police

If a claim involves a violation of law or any loss of possession, notify the police and obtain a police report or case number, the police station phone number, and the officer's name and badge number taking the report. If requested, provide a copy of the police report to Asurion within 30 days of request.

3. Notify Agent, Give Description

Notify Asurion within 30 days of the time of loss.

Give a complete description of:

- a. The Covered Property, including telephone number, device make and model, and unique identification number (ESN, MEID or IMEI); and
- b. How, when and where the loss or damage occurred.

4. Protect

Take all reasonable steps to protect the Covered Property from further damage.

5. Permit Inspection

Permit us or our Agent to inspect the damaged property. If requested, take or send, the Covered Property to our or our Agent's designee for equipment failure evaluation.

6. Statement Under Oath

If requested by us or our Agent, submit to questioning under oath about a claim or other matter relating to the Policy. In such event, the answers must be signed.

7. Proof of Loss and Ownership

If required, provide:

- a. A copy of original ownership records, such as a bill of sale;
- b. A signed, sworn proof of loss or damage containing the information we or our Agent request to settle the claim. We may require this statement to be notarized, for which you may incur a nominal fee.
- c. A copy of a government-issued photo identification.

d. Other records and documents that may be reasonably requested.

These records must be provided within 30 days after our request for the documentation.

8. Return of Damaged and/or Malfunctioning Covered Property

The Additional Insured is required to return the damaged including mechanical and electrical breakdown property to the Authorized Service Center. If the replacement equipment is sent to you, the Authorized Service Center will provide a prepaid shipping label and envelope to return the damaged property in.

Disposal of the damaged Covered Property other than by returning it to the Authorized Service Center requires the prior consent of the Authorized Service Center.

If the damaged Covered Property is not returned to the Authorized Service Center within 15 days of the receipt of the replacement equipment, a Non-Return Fee as applicable to the model of Covered Property, not to exceed the Non-Return Fee up to \$300 may be charged to the Additional Insured.

Any recovery of lost or stolen property will accrue entirely to our benefit.

9. Take Delivery

We may make available to you the approved replacement device for pick up at your Wireless Service Provider. We may also ship the approved replacement device through our Authorized Service Center directly to you within the United States for which you must be available to take delivery of the replacement equipment within 30 days of claim authorization or pay the added cost of re-delivery.

F. OUR DUTIES IN EVENT OF LOSS

1. When We Repair or Replace

If a claim is made, we or Asurion will notify the Insured of Asurion's assessment of the claim within 10 days after we or Asurion receive all the information requested from the Insured presenting the claim.

Repair or replacement of the lost or damaged Covered Property will be done within 30 days after the Insured, or his or her designee has complied with all the terms of the Policy, and we have agreed with the Insured about the repair or replacement.

2. Our Options

At our option, we or Asurion may provide substitute equipment or repair the Covered Property with substitute parts, of like kind, quality and functionality, that:

- a. Has been refurbished, and may contain non-original manufacturer parts; or
- b. Is a different brand, model or color.

G. ADDITIONAL CONDITIONS

1. This Arbitration provision requires the submission of any dispute to Arbitration.

- a. Instead of first suing in court, disputes or controversies of any nature whatsoever (whether in contract, tort, or otherwise, including statutory, common law, fraud, other intentional tort, property and equitable claims) will be arbitrated on an individual, non-class basis, arising out of, relating to, or in connection with:
 - (1)The policy,
 - (2)Any activities, transactions, services or interactions of any kind involving any Insured and us (for purposes of this Section G.1., "we" or "us" will include any of our employees, agents, representatives or associated businesses who are involved in any way in any activities, transactions, or services with any Insured relating to the policy), and the relationships which result from the policy, including, to the full extent permitted by applicable law, relationships with third parties who are not parties to the policy; or
 - (3)The validity, scope or enforceability of this arbitration provision or the entire policy.
- b. Any such claim, dispute or controversy instead shall be resolved on an individual basis without resort to any form of class action or class arbitration, by nonbinding arbitration before a single arbitrator. All Insureds and we waive any right to pursue on a class basis any such dispute, controversy or claim, even if applicable law permits class actions or class arbitrations.
- c. All arbitration shall be administered by the American Arbitration Association ("AAA") in accordance with its Wireless Industry Rules and Procedures in effect at the time the demand for arbitration is filed. The Rules and Procedures, as well as forms and information on arbitration in general may be obtained by calling 1-800-778-7879, or by visiting AAA's Web site at www.adr.org.
- d. Any arbitration which the Insured attends will take place at a location within the federal judicial district that includes the Insured's billing address at the time the demand for arbitration is filed.
- e. Upon written request, we will advance to the Insured either all or part of the fees of the AAA and of the arbitrator. The arbitrator will decide whether the Insured or us will ultimately be responsible for these fees and may waive the Insured's fees upon a finding of economic hardship.
- f. The arbitrator shall apply relevant, substantive law and applicable statutes of limitation and shall provide written reasoned findings of fact and conclusions of law. This arbitration provision is made pursuant to a transaction involving interstate commerce and shall be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1, et. seq.

g. If any portion of this arbitration provision is deemed invalid or unenforceable, it shall not invalidate the remaining portions of the arbitration provision.

THE INSUREDS AND WE AGREE THAT THIS ARBITRATION WILL BE ON AN INDIVIDUAL BASIS.

THE INSUREDS AND WE UNDERSTAND AND AGREE THAT BECAUSE OF THIS ARBITRATION PROVISION NEITHER INSURED NOR WE WILL HAVE THE RIGHT TO FIRST GO TO COURT, HAVE A JURY TRIAL OR PARTICIPATE AS A REPRESENTATIVE OR MEMBER OF ANY CLASS OF CLAIMANTS UNDER A CLASS ACTION OR CLASS ARBITRATION UNTIL THE ARBITRATION REQUIRED BY THIS PROVISION HAS BEEN COMPLETED AND THE INSURED AND WE HAVE BEEN UNABLE TO RESOLVE OUR DISPUTE, CLAIM OR CONTROVERSY.

FURTHER, ALL INSUREDS AND WE WAIVE OUR RIGHT TO PARTICIPATE AS A REPRESENTATIVE OR MEMBER OF ANY CLASS OF CLAIMANT UNDER A CLASS ARBITRATION EVEN IF CLASS ARBITRATION WOULD OTHERWISE BE PERMISSIBLE UNDER APPLICABLE LAW.

2. Claim Authorization and Loss Payment

We or Asurion has the right to settle the loss with the Insured or his or her designee.

No claims will be accepted unless authorized by Asurion.

All repairs and replacements must be done by the Authorized Service Center, unless the Authorized Service Center gives the Insured other specific directions. In no event will Insureds be reimbursed for any out-of-pocket expenses.

3. Cancellation

a. How First Named Insured Cancels

The First Named Insured may cancel the policy by mailing or delivering to us advance written notice of cancellation.

In this event, the First Named Insured agrees to deliver notices of cancellation to all Additional Insureds, 60 days prior to cancellation of their coverage, or to pay the Agent for delivery thereof.

b. How Additional Insureds Cancel

An Additional Insured may cancel coverage provided to him or her by notifying the Agent or Virgin Mobile USA, LP who will advise the Agent.

c. How We Cancel

(1) We may cancel coverage for nonpayment of premium by mailing or delivering written notice of cancellation, including the actual reason for cancellation, at least 10 days before the effective date of cancellation.

(2) When an Additional Insured's coverage has been in effect for less than 60 days, we may cancel for any reason by mailing or delivering written notice of cancellation, including the actual reason for cancellation, at least 30 days before the effective date of cancellation. We may cancel the coverage of any Additional Insured for fraud or intentional misrepresentation made in obtaining this insurance or in filing a claim under this insurance, by mailing or delivering written notice of cancellation, including the actual reason for cancellation, at least 15 days before the effective date of cancellation.

(3) When coverage has been in effect for 60 days or more, we may cancel the coverage of any Additional Insured for fraud or intentional misrepresentation made in obtaining this insurance or in filing a claim under this insurance, by mailing or delivering written notice of cancellation, including the actual reason for cancellation, at least 15 days before the effective date of cancellation.

(4) We also may cancel coverage for all Insureds by mailing or delivering written notice of cancellation at least 30 days before the effective date of cancellation, including the actual reason for cancellation, if:

- (a) For any reason, we choose to stop providing this coverage for all Insureds in a given class;
- (b) Virgin Mobile USA, LP has provided monthly premium billing and collection service and ceases to do so; or
- (c) The Agent or Asurion ceases to provide its claim service.

(5) How Notice of Cancellation Is Provided

If there is a cancellation in accordance with Section G.3.c., notice will be sent to:

- (a) Each Additional Insured affected by the cancellation, using his or her last mailing address on file with the First Named Insured;
- (b) The Agent; and
- (c) The First Named Insured.

The First Named Insured agrees to pay or act as delivery agent for notice of cancellation to all Additional Insureds.

d. Effective Date of Cancellation

Notice of cancellation will state the effective date of cancellation. The coverage will end on that date.

e. Return Premiums, If Any

If the policy is canceled, any refunds due will be on a pro rata basis. The cancellation will be effective even if the refund has not been made or offered.

f. Proof of Mailing

If notice is mailed, proof of mailing will be sufficient proof of notice.

4. Eligibility

- a. To be eligible for coverage you must be a valid, active and current subscriber of your Wireless Service Provider.
- b. If your request for enrollment for coverage is submitted within 15 days of initial activation of Virgin Mobile USA, LP service for the Covered Property and you are approved by us, we cover direct loss or damage that occurs during the policy period shown in the Declarations.
- c. If your request for enrollment for coverage is submitted more than 15 days from initial activation of Virgin Mobile USA, LP's service for the Covered Property you are not eligible for this insurance and your enrollment will be rejected; in such instance, no coverage is ever in effect.
- d. You must not have engaged in fraud or abuse with respect to this or a similar communications equipment insurance program.
- e. You must not be in breach of any material term of the policy, including but not limited to failure to return damaged Covered Property when requested in conjunction with a loss.

5. Changes

The First Named Insured, on its own behalf and on behalf of the Additional Insureds, is authorized to make changes in the terms of the policy with our consent. The policy's terms can be amended or waived only by endorsement issued by us and made a part of the policy. If notice of such changes is mailed, proof of mailing will be sufficient proof of notice.

6. Concealment, Misrepresentation or Fraud

This policy is voidable in any case of fraud, intentional concealment or misrepresentation of a material fact, by either the First Named Insured or any Additional Insured or his or her designee at any time, concerning:

- a. The policy;
 - b. The Covered Property;
 - c. The Insured's interest in the Covered Property; or
 - d. A claim under the policy;
- but only with respect to his or her coverage.

7. Conformity To Statute

We agree that any terms of the policy not in conformity with the statutes of the state in which the policy is issued are amended to conform to those applicable state statutes.

8. Benefit Only Available To Insureds

No person or organization, other than an Insured, will benefit from this insurance. We may make available to you other limited benefits or services related to your Covered Property where available. These may include: property location or recovery services; data management or recovery services; equipment service and maintenance; reduced cost upgrade or purchase benefits or other services provided through your Wireless Service Provider or other authorized service facilities.

9. Legal Action Against Us

No one may bring a legal action against us under the policy unless:

- a. There has been full compliance with all the terms of the policy;
- b. The action is brought within 2 years after the Insured has knowledge of the loss or damage;
- c. The action is brought in compliance with Section G.1.

10. Liberalization

If we adopt any revision in the policy which would broaden the Coverage under the policy without additional premium within 60 days prior to or during the policy period, the broadened coverage will immediately apply.

11. Premiums

- a. The First Named Insured is responsible for the payment of all premiums.
- b. Within fifteen days after the end of each month, the First Named Insured:
 - (1) Will report to the Agent the total number of Covered Property units that were covered under the policy as of the last day of that month; and
 - (2) Will remit the monthly earned premium to us through the Agent based on that report.

The premium will be calculated by multiplying the rate per unit of Covered Property shown in the Declarations by the total number of such units.

The First Named Insured may request that Additional Insureds be billed for their individual units of Covered Property. In that event, the rate will be the same as the policy rate billed to the First Named Insured.

If the First Named Insured provides monthly billing and collection services for the Agent, all funds collected by the First Named Insured are our property.

We may examine and audit the First Named Insured's books and records as they relate to this Premium Payment Provision at any time during the policy period and up to three years afterward.

12. Transfer of Rights and Duties Under The Policy (Assignment)

No rights and duties under the policy may be transferred.

13. Transfer of Rights of Recovery Against Others To Us (Subrogation)

If after we have made good the covered loss or damage, any Insured has rights to recover damages from another, those rights are transferred to us to the extent of our cost of repair or replacement. The Insured must do everything necessary to secure our rights and must do nothing after loss or damage to impair them.

The foregoing is a generalized description of the policy. It is not a full and complete version of the policy. Some provision may differ by state based on applicable law. For more information, or a copy of the policy, you may call Asurion at 1.888.723.3360 or send a self addressed envelope to Asurion Insurance Services, Inc. ATTN: Policy Copy, P.O. Box 110656, Nashville, TN 37222-0656. Please include your wireless telephone number so that the proper policy can be delivered to you.

**IMPORTANT NOTICE TO POLICYHOLDERS –
TERRORISM RISK INSURANCE ACT OF 2002**

You are hereby notified that, under the Terrorism Risk Insurance Act of 2002, as amended, we must make terrorism coverage available if your policy covers commercial property. However, the actual coverage provided by your policy for acts of terrorism, as is true for all coverages, is limited by the terms, conditions, exclusions, limits, other provision of your policy, any endorsements to the policy and generally applicable rules of law.

Any terrorism coverage provided by this policy may be partially reimbursed by the United States Government under a formula established by Federal Law. If applicable, under this formula, the United States Government will pay 85% of covered terrorism losses exceeding a statutorily established deductible paid by insurers until such time as insured losses reach the \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses. If that occurs, your coverage may be reduced.

You will not be required to pay a premium for terrorism coverage at this time. If a premium is going to be charged for terrorism coverage, we will provide you with advance notification of what that premium will be.

CA License number #OB 35141

For California consumers the California Department of Insurance consumer hotline is 1.800.927.4357.

NOTICE TO MICHIGAN POLICYHOLDERS

The policy is exempt from the filing requirements of sections 2236, 2401 and 2601 of the Insurance Code of 1956. 1956 PA 218, MCL 500.2236