

EXTENDED WARRANTY PROGRAM

Retain this document as proof of ownership.

In this Extended Warranty Contract (hereinafter referred to as "Contract"), the terms "we," "us," "our" and "Obligor" refer to Asurion Insurance Services, Inc., in states or jurisdictions where it is the Obligor, Asurion Warranty Services, Inc., a wholly-owned subsidiary of Asurion Insurance Services, Inc., in states or jurisdictions where it is the Obligor or TracFone Wireless, in states or jurisdictions where it is the Obligor. See Paragraph 11 for a jurisdiction-by-jurisdiction Obligor listing. The terms "you" and "your" refer to the purchaser of this Contract. This Contract is not an insurance policy.

THE CONTRACT CONTAINS AN ARBITRATION REQUIREMENT. PLEASE SEE PARAGRAPH 10.

1. CONTRACT ELIGIBILITY, TERM AND RENEWAL.

- a) **Eligibility.** To be eligible for this Contract, the product that you want covered must include a manufacturer's original parts and labor written warranty that provides at least [90] days parts and labor coverage and has a minimum [30] days of coverage remaining as of the date this Contract is purchased.
- b) **Term.** Coverage under this Contract will begin immediately upon the expiration of the covered product's manufacturer's original parts and labor written warranty and continue for one year thereafter. Some manufacturers' warranties provide unequal warranty coverage for parts and labor. Unequal warranty coverage occurs when a warranty provides different periods of coverage for parts and labor. In the event your manufacturer's original parts and labor written warranty provides unequal warranty coverage, this Contract will begin immediately upon the expiration of the shortest portion of the manufacturer's original parts and labor warranty and continue for one year thereafter.
- c) **Renewal.** No party is obligated to renew this Contract. Prices, conditions and limitations of this Contract may change upon renewal and we will advise you of any changes 30 days prior to the Contract's renewal. By purchasing this Contract, you agree that you may be called or sent written information regarding renewals and upgrade plans.

2. COVERAGE.

If the product covered under this Contract fails to operate properly due to defects in materials or workmanship, or normal wear and tear, during the time this Contract is in effect, we will replace the product.

In order to obtain the coverage specified above, you must:

- a) Call 1-800-581-5899 within 60 days of the date your product first fails to operate and receive replacement authorization; and
- b) you must return the original product as directed within 30 days from the date that replacement authorization is issued.

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Rev. 1/03

TracFone Wireless Annual Agreement

Asurion Insurance Services, Inc., Obligor, PO Box 110656, Nashville, TN 37222

Asurion Warranty Services, Inc., Obligor, PO Box 110656, Nashville, TN 37222

TracFone Wireless Inc., Obligor, 8390 N.W. 25th Street, Miami, FL 33122

If the identical product is no longer available, we will replace it with a product of comparable functionality. In all cases, we will determine product comparability including functionality at our sole discretion. Technological advances and product availability may result in a replacement product with a lower selling price than the original product. A replacement product may be either new or refurbished, at our option. Non-original manufacturer parts may be used in refurbished products. We will not provide service under this Contract, only product replacement. Parts and services covered under any manufacturer's recall will be provided under that manufacturer's recall. All products replaced under this Contract shall become the property of the Obligor.

Purchase of this Contract is not required in order to purchase or obtain financing for the product it covers.

THERE ARE SOME LIMITATIONS TO COVERAGE THAT ARE SET FORTH BELOW. SEE ALSO SPECIAL STATE EXCLUSIONS BELOW.

3. PAYMENT, FEES AND IDENTITY OF SERVICE CONTRACT SELLER.

- a) **Payment.** Your cost for this Contract is the amount shown on your confirmation of enrollment, which is attached hereto and is made part of this Contract.
- b) **Failure to Return Defective Equipment Fee.** When your original product is replaced as described in Paragraph 2 of this Contract and you fail to return the original product within 15 days from the date that the replacement authorization is issued, you will be charged a fee. Depending upon the product or part you have failed to return, the fee charged to you will be either: (i) \$35, (ii) \$75 or (iii) \$100. Please log on to www.asurion.com/nonreturnfeematrix to find out which fee applies to your product or part. You can avoid this fee if you return the product as described above.
- c) **Replacement Claims: Credit Card Block Preauthorization; 15-Day Determination Period; Payment for Replacement Product in Case of Invalid Claim.**
 - i) When an original product is replaced as described in Paragraph 2, you preauthorize us to place a block on your credit card for an amount not to exceed the manufacturer's suggested retail price of the replacement product for a period of 15 days.
 - ii) In the event that we determine within this 15-day determination period that your request for a replacement product is invalid under this Contract, we will charge your credit card an amount not to exceed the manufacturer's suggested retail price of the replacement product and return your original product to you. You may return the replacement product to us for a full refund within 30 days from the date your credit card is charged.
- d) **Identity of Service Contract Seller.** Your service contract seller is the entity that sold you this Contract, as named on the sales receipt or confirmation of enrollment.

4. PREVENTATIVE MAINTENANCE.

You have no obligation to perform preventative maintenance on the product covered under this Contract.

5. LIMITATIONS OF COVERAGE.

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This Contract does not cover:

- a) Unused minutes/units of service on claimed equipment.
- b) Products owned or operated outside any state of the United States or the District of Columbia.
- c) Any defects that existed prior to the purchase of this Contract.
- d) Products for rental purposes.
- e) Damage or other product failure due to causes beyond the Obligor's control such as abuse, theft, fire, flood, wind, lightning, freezing, power failure, power reduction, unusual atmospheric conditions and similar fortuitous events.
- f) Non-functional parts or defects, such as cosmetic defects, trim parts, etc.
- g) Preventative maintenance.
- h) Batteries and car kits.
- i) Data lost or otherwise.
- j) Accessories that are non-essential to the functioning of the product.
- k) Software.

6. TRANSFERABILITY.

This Contract is nontransferable.

7. TERMINATION AND REFUNDS.

You may terminate this Contract at any time for any reason by contacting Asurion in writing at: Cancellation Department, PO Box 110656, Nashville, TN 37222. The Obligor may terminate this Contract immediately for any reason by notifying you in writing.

If the Obligor or you cancel this Contract before coverage becomes effective, you will receive a full refund of the Contract purchase price.

If the Obligor or you terminate this Contract within 30 days of it becoming effective and no replacement service has been provided as set forth in Paragraph 2, you will receive a full refund of the Contract purchase price.

If replacement service was provided within 30 days of the date this Contract becomes effective, you will receive a refund less the value of any replacement or repair services received.

If this Contract is terminated after 30 days of the date it became effective, we will refund the purchase price allocable to the remainder of the term of this Contract, prorated on a monthly basis, less the value of any replacement product or services received. At the discretion of the Obligor, refunds will be made either by check or in the same form as the original payment of the purchase price.

A 10% penalty per month shall be added to any refund that we fail to make within 30 days of your termination of this Contract and request for a refund.

8. LIMITATION OF LIABILITY.

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ASURION INSURANCE SERVICES, INC., ASURION WARRANTY SERVICES, INC., TRACFONE WIRELESS, CONTRACTORS OR LICENSEES ARE NOT LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, PROPERTY DAMAGE, LOST TIME OR DATA, LOSS OF USE OF A COVERED PRODUCT, OR ANY OTHER DAMAGES RESULTING FROM THE BREAKDOWN OR FAILURE OF A COVERED PRODUCT, OR FROM DELAYS IN REPLACEMENT OF A COVERED PRODUCT.

9. ADMINSTRATOR.

The administrator of this Contract is [administrator name, address and phone number]. You understand and agree that the Contract is an agreement between you and the Obligor. When the administrator and Obligor differ, you further understand and agree that the administrator has no liability pursuant to the Contract or to you, other than submitting the payment and necessary paperwork relating to this Contract.

10. ARBITRATION.

THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION THAT REQUIRES THE SUBMISSION OF ANY DISPUTED CLAIM TO ARBITRATION.

Any and all claims, 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) arising out of, relating to, or in connection with (1) this Agreement, (2) the relationships which result from this Agreement, including, to the full extent permitted by applicable law, relationships with third parties who are not signatories to this Agreement or this arbitration provisions or (3) the validity, scope or enforceability of this arbitration provision or the entire Agreement (“Claims”) shall be resolved, on an individual basis without resort to any form of class action or class arbitration, by final and binding arbitration before a single arbitrator. 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 claim is filed. The Rules and Procedures, as well as forms and information on arbitration in general, may be obtained by calling 1-800-xxx-xxx, or by visiting AAA’s Web site at www.adr.org. Any arbitration which you attend will take place at a location within the federal judicial district that includes your billing address at the time the claim is filed. Upon written request, we will advance to you either all or part of the fees of the AAA and of the arbitrator. The arbitrator will decide where you or we will ultimately be responsible for these fees. The arbitrator shall apply relevant, substantive law and applicable statutes of limitations and shall provide written reasoned findings of fact and conclusions of law. This arbitration Agreement is made pursuant to a transaction involving interstate commerce and shall be governed by the Federal Arbitrations Act, 9 U.S.C. Sections 1, et. seq. If any portion of this arbitration provision is deemed invalid or unenforceable, it shall not invalidate the remaining portions of the arbitration provision. YOU AND WE UNDERSTAND AND AGREE THAT BECAUSE OF THIS ARBITRATION CLAUSE NEITHER YOU NOR WE WILL HAVE THE RIGHT TO GO TO COURT, OR TO HAVE A JURY TRIAL, OR TO PARTICIPATE AS A REPRESENTATIVE OR MEMBER OFR ANY CLASS OR CLAIMANTS PERTAINING TO ANY CLAIM.

11. OBLIGOR.

The Obligor of this Contract shall be determined by the billing address on file with TracFone Wireless for the product as follows:

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- a) Asurion Insurance Services, Inc. shall be the Obligor in AK, AZ, AR, CO, CT, DE, DC, HI, ID, IL, IN, IA, KY, MD, MI, MS, MT, NE, NV, NH, NJ, NM, NY, ND, OK, PA, PR, RI, SC, SD, TN, TX, UT, VA, WV and all other states required by law.
- b) Asurion Warranty Services, Inc. shall be the Obligor in AL, FL, GA, KS, LA, NC, OR, VT, WA, WI, WY and all other states required by law.
- c) TracFone Wireless shall be the Obligor in CA and all other states required by law.

12. REIMBURSEMENT POLICY COVERAGE.

The obligations of Asurion Insurance Services, Inc. and Asurion Warranty Services, Inc. under this Contract are insured pursuant to a service contract reimbursement policy issued by Hartford Fire Insurance Company, Hartford Plaza, Hartford, CT 06115, in the following jurisdictions only: AL, CT, FL, IL, KY, NV, NM, NY, OK, OR, PR, SC, VT, VA, WA, WI and WY.

13. INSURANCE.

If the coverage provided under this Contract is also provided under a policy of insurance in effect at the time of this Contract, coverage under the policy of insurance shall be primary. No claim may be made under this Contract unless the policy of insurance fails to provide, in whole or part, the benefit claimed with respect to such covered claim by this Contract.

14. ALABAMA, KENTUCKY, ILLINOIS, NEW YORK, OREGON AND WISCONSIN CUSTOMERS.

The obligations of Asurion Insurance Services, Inc. and Asurion Warranty Services, Inc. under this Contract are insured under a service contract reimbursement insurance policy. If Asurion Insurance Services, Inc. or Asurion Warranty Services, Inc. fails to pay or provide service on a claim within 60 days after proof of loss has been filed, you are entitled to make a claim directly against Hartford Fire Insurance Company, Hartford Plaza, Hartford, CT 06115, 1-860-547-5000, under the service contract reimbursement insurance policy.

15. CONNECTICUT CUSTOMERS.

Complaints will be resolved pursuant to Connecticut's arbitration procedures applicable to extended warranty contracts. A written description of a complaint may be mailed to the State Insurance Dept., PO Box 816, Hartford, CT 06142-0816, Attn: Consumer Affairs. Include: copy of this Contract and replacement cost invoices.

If this Contract is scheduled to terminate while your product is being replaced, this Contract will be automatically extended until your product is replaced.

16. GEORGIA CUSTOMERS.

You and we understand and agree that any claim must first be submitted to non-binding arbitration pursuant to procedures set forth in Paragraph 10 of this Contract. Any suit brought will be subject to a stay of the proceeding pending arbitration. Should the attempt to resolve the claim through

arbitration prove unsuccessful, then you or we will have the right to submit a claim to a court in the country in which you reside.

We may only terminate this Contract on the grounds of nonpayment, material misrepresentation or in the event of fraud. The termination shall be in writing and shall conform to the requirements of Georgia Code § 33-24-44.

17. GEORGIA AND VIRGINIA CUSTOMERS.

If we fail to pay any valid claim within 60 days, you may make a claim directly against Travelers, 14450 T.C. Jester Blvd, Ste. 100, Houston, TX 77014.

18. INDIANA AND WEST VIRGINIA CUSTOMERS.

This Contract is not an insurance policy and is not regulated by the Departments of Insurance for the states of Indiana and West Virginia.

19. NEVADA CUSTOMERS.

If this Contract is terminated by the Obligor you will not be charged a termination fee. If this Contract is terminated prior to its expiration, no deductions for prior repair or replacement services will be made to your refund. If you terminate this Contract, you will be charged a termination fee equaling 10% of the purchase price of this Contract or \$25.00, whichever is less.

20. NEVADA AND NEW MEXICO CUSTOMERS.

No Contract that has been in effect for at least 70 days may be terminated by the Obligor before the expiration of the agreed term or 1 year after the effective date of the Contract, whichever occurs first, except on the following grounds: (a) failure by the holder to pay an amount due; (b) conviction of the holder of a crime which results in an increase in the service required; (c) discovery of fraud or material misrepresentation by the holder in obtaining the 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 Contract, which occurred after the effective date of the Contract and which substantially and materially increases the service required under the 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 Contract and which causes the required service or repair to be substantially and materially increased beyond that contemplated at the time that the Contract was issued or sold.

The termination of this Contract is not effective until at least 15 days after the notice of termination is mailed to the customer.

21. NORTH CAROLINA CUSTOMERS.

The purchase of this Contract is not required in order to finance or purchase the covered product.

22. OKLAHOMA CUSTOMERS.

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In the event this Contract is terminated by you, return of the purchase price will be based upon 90% of the unearned pro rata monthly charge. In the event the contract is canceled by the Obligor, return of the purchase price will be based upon 100% of unearned pro rata monthly charge.

This Contract is not issued by the manufacturer or wholesale company marketing the product. This Contract will not be honored by such manufacturer or wholesale company.

23. SOUTH CAROLINA CUSTOMERS.

Any questions concerning the regulation of us under this Contract or any unresolved complaints (within 60 days of proof of loss) may be directed to the South Carolina Department of Insurances, PO Box 100105, Columbia, South Carolina 29202-3105 or (800) 768-3467.

24. TEXAS CUSTOMERS.

Obligations of Asurion Insurance Services, Inc. under this Contract are backed by the full faith and credit of Asurion Insurance Services, Inc. Any questions concerning the regulation of us under this Contract or any unresolved complaints may be directed to the Texas Department of Licensing and Regulations, PO Box 12157, Austin, Texas 78711 or (512) 463-6599.

25. WASHINGTON CUSTOMERS.

The termination of this Contract is not effective until 21 days after the notice of termination is mailed to the consumer.

The obligations of Asurion Warranty Services, Inc. under this Contract are insured under a service contract reimbursement insurance policy. You are entitled to make a claim directly against Hartford Fire Insurance Company, Hartford Plaza, Hartford, CT 06115 under the service contract reimbursement insurance policy.

Any arbitration proceeding commenced under this Contract will comply with RCW 78.110.070(13) and Chapter 7.04 RCW.

26. WISCONSIN CUSTOMERS.

THIS AGREEMENT IS SUBJECT TO LIMITED REGULATION BY THE OFFICE OF THE COMMISSIONER OF INSURANCE.

In order to obtain the coverage specified in Paragraph 2, you must call [toll free number] within 1 year of the date your product first fails to operate.

27. WYOMING CUSTOMERS.

Any arbitration decision, consistent with Paragraph 10 of this Contract, can be submitted to a court of competent jurisdiction for review in accordance with the Wyoming Arbitration Act.

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