



Engine Coverage

Royal Protection Plan of America

VEHICLE SERVICE AGREEMENT

**Palmer Administrative Services, Inc.
3430 Sunset Avenue
Ocean, NJ 07712**

Congratulations on **Your** purchase. **You** have selected a comprehensive **Vehicle Service Agreement** giving **You** peace of mind and security against mechanical **Failures** under the terms herein.

CUSTOMER SERVICE – 1 (800) 599-9557

CLAIMS – 1 (732) 918-2478

IMPORTANT INFORMATION YOU NEED TO KNOW

Please look for **Your** “**Service Agreement**” number on the **Declaration Page**. Please refer to this number in any written or verbal communication, such as requesting information or filing a claim.

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I have read and understand this **Service Agreement** in its entirety. Without limiting the specific provisions of this **Service Agreement**, I hereby acknowledge the following:

- This **Service Agreement** is issued exclusively to me with respect to the **Vehicle** identified on the **Declaration Page**.
- In order to keep this **Service Agreement** in effect, I must perform the oil changes and at regular intervals as required by the section **WHAT YOU MUST DO TO KEEP YOUR SERVICE AGREEMENT IN EFFECT**.
- All work covered by this **Service Agreement** must be performed by a repair facility authorized by the **Administrator**.

DEFINITIONS

The following definitions apply to words frequently used in this **Service Agreement** and appear in **boldface type**.

Administrator – refers to Palmer Administrative Services, Inc.

Breakdown - refers to the **Breakdown** of a covered part under normal service. A covered part has failed when it can no longer perform the function for which it was designed solely due to its condition, and not due to the action or inaction of any non-covered parts. In addition, a **Failure** will be deemed to have occurred when a covered part has worn beyond the manufacturer's tolerances allowed for the particular **Vehicle** at the mileage when the problem occurs

Coverage - refers to the component protection **You** have chosen.

Deductible - refers to the Deductible type and amount **You** will need to pay for each covered Failure repair visit.

Service Agreement - refers to this **Vehicle Service Agreement** which **You** purchased from **Us** to protect your **Vehicle**.

Vehicle – refers to the **Vehicle**, which cannot be used for rental, emergency or for-hire purposes.

We, Us Our - refers to the entity who is obligated to perform this **Service Agreement**.

You, Your - refers to the **Service Agreement** holder or the person to whom this **Service Agreement** was properly transferred.

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VEHICLE SERVICE AGREEMENT TERMS & CONDITIONS

This **Service Agreement** is subject to the following provisions:

1. SERVICE AGREEMENT PERIOD

Coverage under this **Service Agreement** begins on the 31st day after the **Service Agreement** sale date and 1,000 miles from the odometer reading at the time of the sale, and will expire according to time and/or mileage of the **Service Agreement** selected, whichever occurs first, as shown on **Your Declaration Page**. A used **Vehicle Service Agreement** expiration is measured from the **Service Agreement** purchase date and the odometer mileage at **Service Agreement** purchase date.

2. FAILURE OF COVERED PARTS AND LABOR

We will pay or reimburse **You** for reasonable costs to repair or replace any **Failure** of a part and labor included in **Your Coverage**. Replacement parts may be new, remanufactured or replacement parts of like kind and quality.

3. TERRITORY

This **Service Agreement** is limited to **Failures** which occur, and repairs that are made, within the United States of America and Canada.

4. LIMIT OF LIABILITY

The aggregate total of provider's liability for all benefits paid or payable during the term of this **Service Agreement** shall not exceed the actual cash value of the **Vehicle** according to current National Auto Dealers Association standards for the life of the **Service Agreement**.

5. OUR RIGHT TO RECOVERY

If **We** pay anything under this **Service Agreement** and **You** have the right to recover from another party, Your rights will become Our rights up to the amount **We** paid, **You** will do whatever is necessary to enable **Us** to enforce these rights.

6. MAINTENANCE REQUIREMENTS

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You must maintain **Your Vehicle** according to the manufacturer's recommendations as outlined in the owner's manual. **Your** owner's manual has separate require maintenance schedules for "normal" and "more severe" operating conditions. **You** are required to follow the maintenance schedule that applies to **Your** conditions. **You** must be sure only the proper grade lubricants and coolants, as recommended by the manufacturer, are used in **Your Vehicle**. It is necessary for **You** to retain verifiable receipts for all parts and materials necessary to perform the required maintenance. If necessary, this documentation will be verified by the **Administrator**.

7. DEDUCTIBLE

In the event of a **Failure** covered by this **Service Agreement**, **You** will be required to pay a \$100.00 **Deductible** unless otherwise stated in this **Service Agreement**. No **Deductible** payment is required with respect to **Coverage** listed in the **Benefits** section of this **Service Agreement**.

8. ARBITRATION

Any controversy or claim arising out or relating to this **Service Agreement**, or breach thereof, will be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. A judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The parties specifically agree to the binding nature of the arbitration.

OTHER IMPORTANT SERVICE AGREEMENT PROVISIONS

- If the original manufacturer's warranty relating to the **Vehicle** has been transferred to **You** or another service contract that may be in place. You must first obtain all repairs of the covered parts under the manufacturer's warranty or other service contract before this **Service Agreement** will apply.
- If any authorized repairs under this **Service Agreement** are performed by a repair facility approved by the **Administrator**, **You** must transfer and assign to **Us** all rights **You** may have against such facility, including **Your** rights under any repairer's guaranty, and do nothing to prejudice **Our** ability to enforce such rights. As one remedy to enforce such rights, **We** may require **You** to take the **Vehicle** back to such facility for follow-up repairs.

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- If **You** allow any person to perform repairs to a covered part without the approval of the **Administrator**, **You** must first exhaust all of **Your** rights and remedies against the such person with respect to such repairs if they are performed in a faulty manner or otherwise cause a subsequent **Failure** to occur.

WHAT THIS SERVICE AGREEMENT COVERS

This **Service Agreement** covers **Breakdowns** to (1) all internally lubricated parts of the **Vehicle's** engine, including pistons, piston rings, piston pins, crank shaft and main bearings, connecting rods and rod bearing, camshaft and camshaft bearings, timing chain and timing gears, intake and exhaust valves, valve springs, guides, oil pump, push rods, rocker arms, hydraulic lifters and rocker arm shafts, and (2) the engine block and cylinder heads provided the **Breakdown** of the engine block or cylinder heads is caused by the **Breakdown** of a part listed in (1) above (does not include any part other than what is supplied in Long Block Assembly).

ONLY THOSE PARTS LISTED ABOVE ARE COVERED PARTS. ANY PARTS NOT LISTED ABOVE ARE NOT COVERED BY THIS SERVICE AGREEMENT.

- Subject to the exclusions listed in the section WHAT DOES THIS SERVICE AGREEMENT NOT COVER and **Your** compliance with all of the conditions set forth in the section WHAT YOU MUST DO TO KEEP THIS SERVICE AGREEMENT IN EFFECT. In the event of a **Breakdown** of a covered part, **We** will either (1) repair the covered part, or (2) replace the covered part with a new or remanufactured part of like kind and quality, all at no charge to **You**. The decision to repair or replace the covered part or to use a new or remanufactured parts or parts of like, kind and quality shall be at the sole discretion of the **Administrator**. All repair or replacements shall be performed by an authorized repair facility approved by the **Administrator**.

BENEFITS

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CAR RENTAL: We will, in the event of a **Failure** covered by this **Service Agreement**, pay or reimburse **You** for receipted expenses to rent replacement transportation (from a Dealer or licensed rental agency) while **Your Vehicle** is undergoing repair. Such payment shall be limited to thirty dollars (\$30.00) for each eight (8) labor hours, or a portion thereof, of applicable labor time necessary to complete the repair, up to a maximum of one hundred fifty dollars (\$150.00) per occurrence. This **Coverage** does not apply to time waiting for parts or other delays beyond the control of the repair facility. In the event of a major component (engine, transmission or drive axle) replacement, a maximum of three (3) days of parts delay **Coverage** will be afforded provided additional authorization is obtained from the **Administrator** (except where prohibited by law).

TOWING AND ROAD SERVICE: We will, in the event of a **Failure** covered by this **Service Agreement**, pay or reimburse **You** for reasonable related towing charges not to exceed \$50.00 per occurrence, actually incurred to tow **Your Vehicle** to an authorized, licensed repair facility (except where prohibited by law).

TRAVEL EXPENSES: We will, in the event of a **Failure** covered by this **Service Agreement** occurs more than one hundred (100) miles from **Your** home, reimburse **You** up to seventy five dollars (\$75.00) per day for up to three (3) consecutive days for receipted motel/restaurant expenses (except where prohibited by law). The date of **Failure** will be considered the first day of the three (3) day maximum period.

WHAT YOU MUST DO TO KEEP THIS SERVICE AGREEMENT IN EFFECT

As a condition precedent to the obligation of **Administrator** to repair or replace covered parts or components, the Service Agreement holder shall have complied with all Terms and Conditions of the Service Agreement, including specifically, but without limitation, the requirements for maintaining the **Vehicle**.

1. **You** must service and maintain serviceable, covered parts according to the Manufacturer's recommendations for new vehicles.

Most Manufacturers have separate required maintenance schedules for "normal" and "more severe" operating conditions. Most vehicles

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today are operated under the “more severe” conditions which require more frequent maintenance, including shorter (3,000 miles) oil and filter changes and transmission fluid changes. All operating conditions require coolant changes at 30,000 miles. Other maintenance requirements are listed in **Your** owner’s manual.

2. **Be sure only the proper high quality grade of lubricants and coolants as recommended by the Manufacturer are used in Your Vehicle.**
3. Damage caused by inadequate fluid levels is not covered by this Service Agreement. Check **Your** fluid every 300 miles or when refueling.
4. **You** are responsible for taking immediate corrective action to repair, at **Your** expense, engine lubricant leaks and engine coolant leaks discovered in the course of any oil change or at any other time.
5. **You** must refrain from altering, tampering with, or replacing the vehicle identification number (VIN) or the odometer of **Your Vehicle**. If for any reason the odometer fails to work as intended, **You** must immediately have it repaired at **Your** expense.

Keep all Your Maintenance Receipts and Repair Orders – Proof of proper maintenance may be required for certain repairs under this Service Agreement.

If **You** fail to perform any of the above conditions, this **Service Agreement** shall be null and void.

WHAT TO DO IN THE EVENT OF A FAILURE

Protect **Your Vehicle** from further damage. If **We** determine that **You** did not protect **Your Vehicle** from further damage, **We** will not be responsible for such damage.

1. Covered repairs may be performed by a repair facility of **Your** choice. The repair facility must obtain an authorization number from the **Administrator’s** claim department prior to proceeding with repairs at 1 (732) 918-2478. Repair facilities with whom the **Administrator** has a national account:

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Pep Boys (General Repairs)

1 (800) 873-7269

2. In the event of any dispute between the **Administrator** and the repair facility, the **Administrator** shall have the right to take possession and remove said **Vehicle** to a repair facility of their choice.
3. The **Administrator** will then pay the repair facility.
4. State Law and Administrative Code supersede any other provision herein.
5. If claim exceeds amount paid into financed, the outstanding balance may be deducted from the authorized claim payment for customers in the following states: AR, CO, DE, D.C., ID, IN, KS, KY, ME, MA, MI, MS, MT, NJ, OH, PA, RI, SD, TN, and WV.

REPAIR FACILITY GUIDELINES FOR CLAIMS HANDLING

Follow these steps when handling a claim:

1. Advise **Service Agreement** holder that evaluation of a **Failure** does not mean that the repair is covered under this **Service Agreement**. All covered repairs must receive prior authorization from the **Administrator**.
2. Have **Service Agreement** holder authorize inspection/tear down of the **Vehicle** to determine the cause of the **Failure** and cost to repair. Save all components, including fluids and filters, should the **Administrator** require outside inspection. Notify the **Service Agreement** holder that cost of tear down will not be paid if it is determined that the **Failure** is not covered under this **Service Agreement**.
3. Determine the cause of **Failure**, repair required and the cost of the repair(s).
4. Contact the **Administrator's** Claim Department at 1 (732) 918-2478 to get an authorization to proceed with the claim. Be prepared with the following information when placing the call:
 - a) Customer's Name and **Service Agreement** Number.
 - b) Cause of **Failure** and recommended repair.

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- c) Cost of repair(s).
5. A claims advisor will verify coverage and do one of the following:
 - a) Approve Claim – if approved, you will be given an authorization number to be recorded on the repair order. The authorized amount is the maximum that will be paid. Additional amounts must receive prior approval.
 - b) Require Additional Evaluation, Inspection or Tear Down – the **Administrator** may require an inspection prior to the repair performed. If a tear down is required to determine cause of **Failure**, **Service Agreement** holder must authorize same. Notify the **Service Agreement** holder that if the repair is not covered, then the **Service Agreement** holder will be responsible for cost of tear down. Repair facility should save all the components requiring inspection, including fluids and filters. The claims advisor will arrange for the inspection. If inspection is not made within forty-eight (48) hours, contact the claims advisor.
 - c) Deny the claim and provide the reason for the denial.
 6. Review **Administrator's** findings with the **Service Agreement** holder as well as what will be covered by the **Service Agreement** and what portion of the repair(s), if any, will not be covered.
 7. Obtain **Service Agreement** holder's authorization to complete the repair(s). All repair orders must have customer's signature to qualify for payment.
 8. Submit the repair order(s) that must contain the Service Agreement number, authorization number and authorized amount to the **Administrator** within thirty (30) days to the following address:

Palmer Administrative Services, Inc.
Drawer 223
Allenhurst, NJ 07711
Claims Number: 1 (732) 918-2478

WHAT THIS SERVICE AGREEMENT DOES NOT COVER

This **Service Agreement** does not cover the following:

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- A **Breakdown** caused by contamination of or lack of proper fuels, coolants, or lubricants.
- A **Breakdown** caused by a failure to replace seals or gaskets or otherwise to perform proper maintenance of the Vehicle in a timely manner.
- A **Breakdown** caused by unauthorized modifications or alterations of a covered part, installation of performance accessories to the engine, or unauthorized repairs or replacements of covered parts reformed in a faulty manner.
- A **Breakdown** caused by overheating, rust, or corrosion.
- A **Breakdown** caused by pre-ignition detonation, pinging, improper lubricants or improper engine adjustments.
- A **Breakdown** caused by collision, fire, electrical fire or meltdown, theft, freezing, vandalism, flood or for any hazard insurable under standard physical damage insurance policies whether or not such insurance is in force with respect to the **Vehicle**.
- Loss of use, loss of time, loss of profits or savings, inconvenience, commercial loss, property damage, bodily injury, punitive damages, and any incidental or consequential damages or loss of any kind that results from a Breakdown. Some states do not allow the exclusion or limitation of incidental or consequential damages so the above exclusions or limitations may not apply to **You**.
- Any costs or other benefit for which the manufacturer has announced its responsibility through any means including public recalls or factory service bulletins.
- A gradual reduction in operating performance due to normal wear and tear, such as guides, valves, rings and loss of compression.
- Seals and gaskets are not covered unless required in the repair of a covered part.
- Repairs covered by the original manufacturer's warranty, provided such warranty has been transferred to **You**.
- The costs associated with the tear down or diagnosis of a potential **Breakdown**, unless it is subsequently determined that Breakdown covered by this Service Agreement has occurred.

EXCLUDED VEHICLES

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The following schedule of Vehicles and VEHICLE types are examples of Vehicles that are excluded from COVERAGE under this CONTRACT. Please contact the ADMINISTRATOR for specific eligibility of YOUR VEHICLE. If it is discovered that a CONTRACT has been errantly sold on a VEHICLE or VEHICLE type listed below, then a full refund of the amount collected shall be made to YOU.

Note: All Limited Edition/Specialty, High Performance and Modified Vehicles are ineligible for COVERAGE. Any VEHICLE rated over 1-ton (13,600 G.V.W.) in capacity is ineligible for COVERAGE. All Twin-Turbo or 12 Cylinder Vehicles are ineligible for COVERAGE.

1) Excluded VEHICLE Makes:

- Alfa Romeo
- Aston Martin
- Austin Healey
- Bentley
- Daewoo
- Daihatsu
- Eagle
- Fiat
- Ferrari
- Lamborghini
- Land Rover
- Lotus
- Maserati
- Merkur
- Peugeot
- Porsche
- Renault
- Rolls Royce
- Smart
- Sterling
- Yugo
- Volkswagen (2003 and Earlier)

2) Excluded VEHICLE Makes/Models:

- Acura: NSX
- Audi: A8, R8, RS6, S4, S5, S6, and S8
- BMW: M, 7-series and 8 series
- Chevrolet: Camaro SS, Corvette ZR1, Corvette Z06
- Chrysler: SRT 8 Models
- Dodge: SRT Models, Stealth and Viper
- Ford: GT, Cobra, Bullitt, Saleen, GTR, Shelby, Roush, and Lightning
- GMC: Syclone, Typhoon
- Hummer: H1
- Infiniti: Q45A
- Jaguar: XJ12 and XJ8
- Mazda: RX-7 and RX-8

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- Mercedes-Benz: AMG
- Mitsubishi: 3000GT
- Nissan: GT-R
- Plymouth: Prowler
- Volkswagen: Phaeton
- Any Other Make/Model not on the ADMINISTRATOR'S Approved Class Guide

3) Excluded Engine Types:

- Liquefied-Petroleum Gas, Compressed Natural Gas, Methanol, Electric (except Hybrids are allowed), and Hydrogen-Powered Vehicles
- Vehicles with Diesel Engines Manufactured prior to 2000
- Vehicles with Rotary Engines
- Vehicles with "Twin Turbo" Engines
- Vehicles having Engines with more than Eight (8) Cylinders
- Vehicles with 4100 GM Engines
- Vehicles with W8 Volkswagen Engine

4) Excluded VEHICLE Classes/Uses:

- Motor Homes
- Motorcycles
- Recreational Vehicles including but not limited to Four-Wheelers, ATV's, and Golf Carts
- Medium-Duty COMMERCIAL VEHICLES including but not limited to International,
- Freightliner, Tiltmaster, Iveco, Hino, Forward, and Fuso
- Any VEHICLE Classified by the ADMINISTRATOR as a "Classic VEHICLE"
- Any VEHICLE Classified by the ADMINISTRATOR as an "Exotic VEHICLE"
- Any VEHICLE in Excess of 1-Ton
- Any Emergency Use VEHICLE
- Any VEHICLE Used for Agricultural Purposes
- Any VEHICLE Equipped with Snow Plow, Brackets, and/or Controls

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CANCELLATION OF VEHICLE SERVICE AGREEMENT

1. **CANCELLATION** – This **Service Agreement** only applies to **You** and **Your Vehicle**.

In the event the covered **Vehicle** is repossessed, declared a total loss, or **You** give notice of cancellation, this **Vehicle Service Agreement** shall terminate. Submit immediately to Royal Protection Plan (per #3 below) or the selling dealer/vendor in writing the following: The **Service Agreement** number, VIN, mileage – including a certified odometer reading, and the make and model of the **Vehicle**. If cancelled within thirty (3) days and no claims have been paid, the amount of the refund shall be equal to the full amount paid for this **Service Agreement**. Otherwise in determining the amount of any refund, the purchase price of the **Service Agreement** shall be multiplied by the greater of (a) the portion obtained by dividing the total mileage used from the date of sales of the **VEHICLE** by the maximum number of miles covered under this **Service Agreement** or (b) the fraction obtained by dividing the number of months covered under this **Service Agreement**. The difference between the number so obtained and the price of the **Service Agreement**, less a refund fee (as determined below), less any authorized claims (where allowable by law) shall be refunded to **You** and/or the lienholder. In the event of repossession or total loss, the lienholder will be the sole payee. Refer to the state notices on the back of this page for specific state guidelines.

CANCELLATION FEE: The cancellation fee is \$75.00. See State Guidelines for exceptions.

2. **We** may cancel this **Service Agreement** for fraud, misrepresentation, or for non payment of this **Service Agreement** by mailing Notice of Cancellation stating the reason for cancellation to **Your** last know address.
 - a. In the event the cost of this **Service Agreement** is included in a "Retail Installment Sales Contract" and **We** cancel this **Service Agreement** prior to payment in full of the installment sales obligation, the refund due hereunder shall be made to the lienholder.

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- b. Cancellation of this **Service Agreement** shall become effective fifteen (15) days after Notice of Cancellation has been mailed to **You**.
3. In the event **You** cancel this **Service Agreement**: Please mail cancellation request including the certified odometer reading to: P Administrative Services, Inc., Drawer 223, Allenhurst, NJ 07711.
4. By the Lienholder – **You** understand and acknowledge that the lienholder (if any) has the right to cancel this **Service Agreement** if **Your Vehicle** is repossessed or destroyed or **You** are otherwise in default of **Your** obligations to repay the amount financed by the lienholder.

TRANSFER RIGHTS AND PROCEDURE

Transfer Rights

This **Service Agreement** is for the benefit of the original **Service Agreement** holder and is transferable subject to a transfer fee and providing **Service Agreement** is being transferred to a subsequent private purchaser of the **Service Agreement** holders **Vehicle**. (Transfer rights are voided when **Vehicle** is either traded or sold to an Automobile Dealer or Broker).

Transfer Procedure

Submit the following:

1. Transfer Application (available from the **Administrator**).
2. Bill of Sale showing the sale date and mileage at the time of sale.
3. Transfer fee of \$100.00 to the **Administrator** within fifteen (15) days of **Vehicle** ownership.
4. **Service Agreement** has been paid in full.

NO CLAIMS WILL BE PAID WITHOUT PRIOR AUTHORIZATION