

1. **INTRODUCTION.** These Terms and Conditions, together with Your Confirmation Letter and Coverage Details, govern the Surge Protection Plan (collectively, the “Plan”) between You and Us, including coverage information, claims instructions, cancellation rights, limitations and exclusions, and other important information. Please read these documents carefully.

**This Plan requires the resolution of disputes through individual small claims action or individual arbitration. Please read Section 13 for further information that affects Your legal rights.**

2. **DEFINITIONS.** The following terms have the meanings set forth below:

- (a) “Administrator” means Service Net Warranty, LLC, 650 Missouri Avenue, Jeffersonville, IN 47130, 877-699-8790.
- (b) “Breakdown” means Covered Electronics’ failure to perform its intended function during ordinary use due to mechanical or electrical damage or defect caused by a Power Surge Event.
- (c) “Contract Start Date” means the date this Plan takes effect, as listed in Your Coverage Details.
- (d) “Coverage Start Date” means the date You first become eligible for coverage under this Plan. The Coverage Start Date is 30-days from the Contract Start Date and is listed in Your Coverage Details.
- (e) “Covered Electronics” means the categories of consumer electronic devices and appliances listed in Your Coverage Details that (i) are owned by residents of Your household at the Service Address, (ii) have an individual value that equals or exceeds \$100, and (iii) Breakdown due to a Power Surge Event at Your Service Address.
- (f) “Enrollment Date” means the date You enrolled for coverage under this Plan, as listed in Your Coverage Details.
- (g) “Initial Term” is defined in Section 3(a).
- (h) “Obligor,” “Us,” “We,” and “Our” mean AIG WarrantyGuard, Inc., 500 W. Madison St., Ste. 3000, Chicago, IL 60661, 877-699-8790.
- (i) “Plan” is defined in Section 1.
- (j) “Plan Fee” means the monthly price due for this Plan. The Plan Fee is listed in Your Coverage Details.
- (k) “Power Surge Event” means a sudden and non-continuous increase or burst of electricity or electrical current at Your Service Address caused by natural or man-made events, including lightning, wind, or wildlife interfering with power lines.
- (l) “Renewal Term” is defined in Section 3(a).
- (m) “Repair Value” is defined in Section 6(a)(ii)(A).
- (n) “Replacement Value” is defined in Section 6(a)(ii)(B).
- (o) “Residential Dwelling” means property that is zoned and used for residential living, including single-family homes, townhomes, condominiums, multi-family properties (i.e., a duplex or triplex), and mobile homes attached to a permanent foundation. Residential Dwelling does not include property listed on a historical register and property used, in whole or in part, for business purposes, including day-cares, group-homes, rest-homes, churches, schools, and sororities/fraternities.
- (i) “Seller” means Energy Texas, 5373 W. Alabama, Suite 650, Houston, TX 77056.
- (j) “Service Address” means the property address listed in Your Coverage Details that is enrolled for coverage under this Plan.
- (k) “Term” means the Initial Term and any Renewal Terms under the Plan.
- (k) “Wait Period” means the 30-day period between the Contract Start Date and the Coverage Start Date where any losses and claims are ineligible for coverage.

(l) "You" and "Your" means the Plan holder named in the Coverage Details or assignee of these benefits.

### 3. TERM, AUTOMATIC RENEWAL, & MONTHLY PAYMENTS.

- (a) This Plan commences on the Contract Start Date and remains in effect for an initial term of one month ("Initial Term"). This Plan automatically renews at the end of the Initial Term for subsequent monthly terms (each, a "Renewal Term") unless it is properly cancelled, terminated, or non-renewed.
- (b) Your Plan includes a Wait Period from the Contract Start Date before you become eligible for coverage. For clarification purposes, Your Wait Period may include all or a significant portion of Your Initial Term. **ANY LOSSES THAT OCCUR OR TAKE PLACE DURING THE WAIT PERIOD ARE NOT ELIGIBLE FOR COVERAGE.** The Wait Period only applies to the Initial Term and does not apply to any Renewal Term.
- (c) The Plan Fee must be paid monthly for You to remain eligible for coverage. Should you become unable to pay the Plan Fee through the Seller's payment terms, We reserve the right to charge you independent of the Seller's payment terms. We reserve the right to change or modify Plan Fees or coverage terms applicable to any Renewal Term by providing you with at least thirty (30) days' prior written notice.

### 4. YOUR RESPONSIBILITIES & ELIGIBILITY REQUIREMENTS.

- (a) Covered Electronics must be in good working order as of the Coverage Start Date and must be properly maintained throughout the Term, in accordance with the manufacturer's instructions, to be eligible for coverage.
- (b) Covered Electronics will not be eligible for coverage if serial or model numbers have been removed or made illegible.
- (c) The Service Address must be a Residential Dwelling to be eligible for coverage. This Plan does not cover electronics that are damaged in common areas or other locations of the Service Address that You do not own or are not responsible for maintaining.
- (d) We may require You to provide Your Plan's contract number, as shown in Your Confirmation Letter, and other relevant information to be eligible for coverage. Please keep these documents in a readily accessible location for future use.
- (e) We may require You to pay a deductible. Please review Your Coverage Details for any applicable Deductible.

### 5. SCOPE OF COVERAGE.

- (a) Subject to this Plan's limitations and exclusions, We will reimburse You for applicable Covered Electronics' Repair Value if Covered Electronics suffer a Breakdown due to a Power Surge Event while connected to the electrical grid within the confines of the main home or attached garage of Your Service Address. Alternatively, if such Covered Electronics are unrepairable, as determined in accordance with this Plan's claims procedures, we will reimburse You for the applicable Replacement Value.
- (b) This Plan does not cover pre-existing conditions or losses to Covered Electronics that occur prior to the Coverage Start Date.
- (c) This Plan does not cover any installation, set-up, removal, or disposal fees for repaired or replaced Covered Electronics.
- (d) Repair parts or replacement products may be new, used, refurbished, non-original, like-kind, or remanufactured and may not match the exact model or color as original Covered Electronics.
- (e) We are not responsible for the loss of any data due to the Breakdown, repair, or replacement of Covered Electronics.

### 6. LIMITS OF LIABILITY.

- (a) Per Claim Limits. Our maximum liability per covered claim shall not exceed (i) the reasonable, ordinary, and customary costs for a qualified service contractor to evaluate applicable Covered Electronics and to verify that a Power Surge Event caused the Breakdown and (ii) either of the following, as applicable to Your Claim: (A) The costs to repair applicable Covered Electronics ("Repair Value"); or (B) the costs to replace unrepairable Covered Electronics with items of like-kind and quality ("Replacement").

Value”). Notwithstanding the foregoing, in no event will the Repair Value or Replacement Value exceed the original purchase price of applicable Covered Electronics, excluding any taxes, delivery, and installation fees.

(b) **Annual Limits.** Our maximum, aggregate liability for all covered claims during the 12-month period from the Contract Start Date—and each subsequent 12-month period thereafter—is \$5,000. We will not pay more than \$5,000 during each 12-month period from the Contract Start Date.

7. **CASH BUYOUT POLICY.** If Covered Electronics are unable to be repaired or replaced for any reason, such as where required parts or components are obsolete, on extended backorder, or otherwise irreplaceable or unreparable with an item of like-kind or quality—as determined in Our sole discretion—We may buyout a covered Claim with a cash settlement based on Covered Electronics’ applicable Replacement Value, subject to the maximum claims limits in Section 6.

#### 8. HOW TO FILE A CLAIM?

(a) To seek reimbursement for a covered claim, You must have an independent, qualified service contractor complete and sign a Claims Form. You may view and print a copy of the required Claims Form by visiting the Administrator’s website at [www.energytexas.com](http://www.energytexas.com). You may also request a mailed hardcopy by calling the Administrator at 877-699-8790.

(b) The following must be submitted with any Claims Form to be considered for reimbursement:

(i) The service contractor must complete and sign a “Certification” within the Claims Form stating that the applicable Breakdown was likely due to a Power Surge Event;

(ii) If Covered Electronics are repairable, an invoice from the service contractor on business letterhead that itemizes the applicable repair costs;

(iii) If Covered Electronics are unreparable, a receipt for a like-kind replacement or other documentation that reasonably establishes the Replacement Value; and

(iv) Any other documentation that We reasonably determine is necessary to review and process Your claim.

(c) **All claims must be reported to Us within 30 days from the Breakdown and prior to this Plan’s expiration or termination to be eligible for coverage. All Claims Forms must be submitted to Us within 30 days from the applicable Breakdown to be eligible for reimbursement.**

(d) If You need assistance with Your claim, Customer service agents will be available to answer Your calls between the hours of Monday through Friday 7am to 7pm CST and Saturday 8am to 4pm CST. After business hours and during the weekends, You may also leave a voice message describing your claim, which We will respond to within 48 hours under normal circumstances.

#### 9. REPAIR/REPLACEMENT SERVICES.

(a) We are not a service contractor, technician, or product retailer. This Plan only provides for the reimbursement of covered repairs or replacements. Repair and replacement services will be performed by independent, third-party contractors of Your choosing.

(b) You or a responsible adult representative must be present when any service contractor is onsite at the Service Address. You must also make Covered Electronics reasonably accessible to any service contractor. If the product or system is not accessible or in unsafe conditions, the service contractor may decline to provide service or assess you and additional charge for making the product or system accessible, which will be at Your expense.

(c) If you need assistance with locating a qualified service contractor in Your area, please contact the Administrator at the number set forth above.

(d) If You initiate service for a non-covered repair or no Breakdown is discovered, You will be responsible for all costs associated with the claim, other than any covered inspection or diagnosis fees from the service contractor.

10. **EXCLUSIONS.** Your Plan does not cover the following:

- (a) Losses or costs that are recoverable under any other warranty, guarantee, service contract, or insurance policy, in which case this Plan will only provide secondary or excess coverage for covered losses and cover the costs of any applicable deductible, subject to all other exclusions and limitations set forth herein;
- (b) Losses that are subject to a manufacturer's recall;
- (c) Losses caused by Your failure to follow or adhere to the manufacturer's operation, care, or maintenance instructions, as outlined in Covered Electronics' ownership manuals;
- (d) Any pre-existing conditions or damages to Covered Electronics that occurred prior to the Coverage Start Date;
- (e) Unauthorized modifications, alterations, or enhancements to Covered Electronics;
- (f) Covered Electronics purchased without a manufacturer's warranty or "as-is";
- (g) Damages to nonfunctional or aesthetic parts, normal wear and tear, and cosmetic damage that does not impact Covered Electronics' proper operation or functionality, including scratches, peeling, discoloration, dents, and chips;
- (h) The electrical fixtures, outlets, wiring, circuit boxes and breakers, and related components of the Service Address's electrical grid;
- (i) Any accessories that are not included in Covered Electronics' original packaging;
- (j) Cleaning, periodic checkups, and preventive maintenance;
- (k) Installation, set-up, and removal and disposal fees, including the following: Costs of opening, removing, or restoring walls or floors, countertops, cabinets, or similar fixtures in or around Covered Electronics; the disposal of hazardous or toxic material; and other periphery or incidental costs arising from or relating to the repair, removal, installation, or replacement of Covered Electronics;
- (l) Consumable items that are designed to be periodically replaced by You during the life of Covered Electronics, including user replaceable batteries;
- (m) Loss or damage caused by any type of abnormal or improper use, abuse, misuse, neglect, willful or reckless misconduct, or any other use otherwise inconsistent with the owner's manual or instructions;
- (n) Incidental, consequential, or secondary damages, including loss of use, lost profits, and any damages arising from delays in requesting or rendering service, replacement, or reimbursement under this Plan;
- (o) Any product purchased for or used at any time for commercial or rental purposes;
- (p) Any support services, software, operating systems, programming, or data provided with, stored in, or accessible through Covered Electronics; software, data, operating system, programming, or on-line service performance issues; restoration of data, software, operating systems, or programming; and losses caused by third-party hardware, software, programming, or accessory items;
- (q) Loss or damage resulting from any cause other than a Power Surge Event;
- (r) Covered Electronics that are lost, misplaced, or stolen;
- (s) Costs arising from or relating to the upgrade or modification of parts, components, or equipment due to incompatibility with existing systems, service, or utility lines at the Service Address or to meet changes in federal, state, or local codes or regulations;
- (t) Electric or hybrid motor vehicles and their connections and chargers;

- (u) **Loss of use of, damage to, corruption of, inability to access, or inability to manipulate any computer system, electronic hardware, or software, or components thereof, that are used to store, process, access, transmit, or receive information within Covered Electronics as result of any cause or loss other than a Power Surge Event, including any unauthorized access or unauthorized use of such system, a denial of service attack, or receipt or transmission of malicious code; and**
- (v) **Loss of use of, damage to, corruption of, inability to access, or inability to manipulate any electronic data stored within Covered Electronics, including any such loss caused by unauthorized access or unauthorized use of such data, a denial of service attack, or receipt or transmission of malicious code.**

**We shall not provide coverage and We shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim, or provision of such benefit would expose the Obligor, its parent company, or its ultimate controlling entity to any sanction, prohibition, or restriction under United Nations resolutions or the trade or economic sanctions, laws, or regulations of the European Union or the United States of America.**

#### **11. CANCELLATION.**

- (a) You may cancel this Plan for any reason and at any time by contacting the Seller at 833-691-7225. Your cancellation will become effective at the end of the then-current monthly Initial or Renewal Term.
- (b) If You request to cancel this Plan during the Wait Period and You have already remitted payment to Us for the Initial Term, You will receive a 100% refund of the Initial Term's Plan Price.
- (c) We reserve the right to terminate or non-renew this Plan at the expiration of the Initial Term or any Renewal Term by providing You with at least thirty (30) days prior written notice. Unless We provide You with at least 30 days' prior written notice to the contrary, this Plan will automatically terminate and non-renew at the end of the then-applicable monthly period after cancelling Your underlying utility plan from Seller.
- (d) Notwithstanding the foregoing, in the event of non-payment, fraud, material misrepresentation, or a substantial breach of Your dues under this Plan, We may cancel this Plan immediately and without prior notice to You and no refund of any kind will be issued.

#### **12. MISCELLANEOUS.**

- (a) Transferability. This Plan is not transferrable or assignable by You to a new contract holder.
- (b) Subrogation. If We make any payment under this Plan, We are entitled to recover what We paid from other responsible parties. By accepting settlement of a claim, You transfer to Us Your right to recovery against any other party.
- (c) Entire Agreement. This Plan represents the entire contract between You and Us with respect to the subject matter herein. Neither the Seller, Administrator, nor any other agent has authority to change this Plan or to waive any of its provisions. No other written or oral statement applies to this Plan. No coverage will be provided under this Plan if any information that You, or anyone claiming benefits hereunder, provides is determined to be false, misleading, or intentionally omitted.
- (d) Reimbursement Insurance. This Plan is a service contract and not an insurance policy or contract. However, We secure Our fulfillment obligations and risks through an insurance policy issued by Illinois National Insurance Co., 500 W. Madison St., Ste. 3000, Chicago, IL 60661, Ph: (800) 250-3819. If within 60 days We have not paid a claim, provided You with a required refund, or You are otherwise dissatisfied, or We are no longer a going concern, become insolvent, or are otherwise financially impaired, You are entitled under state law to make a claim directly to the insurer by contacting the insurer at the address or phone number listed above. Please enclose a copy of Your Plan when sending correspondence to the insurer.
- (e) Privacy Policy. We respect Your privacy. To review Our privacy policy, please visit <https://www.aig.com/privacy-policy>.
- (f) Assignment. We may delegate or assign any of Our obligations at Our sole discretion and without Your consent provided We give You at least 30 days' prior written notice of any material changes. You may not change this Plan or delegate any of Your obligations.

- (g) Liability Limitation. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, WE AND OUR EMPLOYEES AND AGENTS WILL UNDER NO CIRCUMSTANCES BE LIABLE TO YOU OR ANY SUBSEQUENT OWNER FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES RESULTING FROM OUR OBLIGATIONS UNDER THIS PLAN, INCLUDING THE FOLLOWING: COSTS OF RECOVERING, REPROGRAMMING, OR REPRODUCING ANY PROGRAM OR DATA; FAILURE TO MAINTAIN DATA CONFIDENTIALITY; LOSS OF USE, INCLUDING LOSS OF USE WHILE THE COVERED ELECTRONICS ARE BEING REPAIRED OR REPLACED; OR ANY LOSS OF BUSINESS PROFITS, REVENUE, OR ANTICIPATED SAVINGS. OUR MAXIMUM LIABILITY FOR ANY CLAIM ARISING FROM OR RELATING TO THIS PLAN SHALL NOT EXCEED THE PER CLAIM AND ANNUAL LIMITS SET FORTH HEREIN, REGARDLESS OF WHETHER THE UNDERLYING ACTION IS IN CONTRACT, TORT, OR ANY OTHER LEGAL OR EQUITABLE THEORY.
- (h) Severability. If any provision of this Plan is held invalid, illegal, or unenforceable in any respect under applicable laws, the validity, legality, and enforceability of the remaining provisions of this Plan shall not in any way be affected or impaired thereby.

### 13. ARBITRATION & CLASS ACTION WAIVER.

**READ THE FOLLOWING ARBITRATION AGREEMENT CAREFULLY. IT LIMITS CERTAIN RIGHTS OF YOURS, INCLUDING YOUR RIGHT TO OBTAIN RELIEF OR DAMAGES IN COURT AND YOUR RIGHT TO PARTICIPATE IN CLASS ACTIONS OR REPRESENTATIVE PROCEEDINGS.**

YOU AND WE AGREE TO RESOLVE ANY DISPUTES THROUGH INDIVIDUAL BINDING ARBITRATION INSTEAD OF THROUGH COURTS OF GENERAL JURISDICTION, EXCEPT AS FOLLOWS:

ANY DISPUTE FALLING WITHIN THE JURISDICTIONAL SCOPE AND AMOUNT OF AN APPROPRIATE SMALL CLAIMS COURT MUST BE BROUGHT IN SMALL CLAIMS COURT ON AN INDIVIDUAL BASIS.

YOU AND WE AGREE THAT ANY ARBITRATION WILL TAKE PLACE ON AN INDIVIDUAL BASIS ONLY. YOU AND WE AGREE TO WAIVE THE RIGHT TO A TRIAL BY JURY AND TO PARTICIPATE IN CLASS ARBITRATIONS, CLASS ACTIONS, AND REPRESENTATIVE PROCEEDINGS.

Under this provision, "Dispute" includes any claim or controversy arising out of or relating in any way to this Plan—whether based in contract, tort, statute, fraud, misrepresentation, or any other legal or equitable theory.

This Arbitration Agreement is subject to and governed by the Federal Arbitration Act ("FAA"). This Arbitration Agreement is intended to be broadly interpreted and shall survive any termination or cancellation of this Plan. This Arbitration Agreement applies to Our respective parents, subsidiaries, affiliates, service contract insurers, obligors, agents, employees, successors, and assignees.

You and We agree to waive the right to participate in class actions or representative proceedings. However, this Arbitration Agreement does not preclude You from bringing an individual action against Us in small claims court, so long as the dispute is pursued on an individual rather than a class-wide basis.

The American Arbitration Association ("AAA") will administer any arbitration and will do so in accordance with its rules in effect at the time the claim is filed. You may obtain a copy of the AAA rules by visiting [www.adr.org](http://www.adr.org). Unless You and We agree otherwise, any arbitration hearing will take place in the county of the Service Address. The right to a hearing will be determined by the AAA Rules. However, if the claim is for \$10,000 or less, You may decide whether You want the arbitration to be conducted instead: (a) Only on the basis of documents or (b) through a telephone hearing.

14. **TEXAS DISCLOSURES.** Under normal circumstances, We will initiate the performance of repair services not later than 48 hours after a request. NOTICE: THIS COMPANY PAYS PERSONS NOT EMPLOYED BY THE PROVIDER FOR THE SALE, ADVERTISING, INSPECTION, OR PROCESSING OF A RESIDENTIAL SERVICE CONTRACT UNDER CHAPTER 1304, OCCUPATIONS CODE. Unresolved complaints concerning Us or questions concerning the regulation of service contract providers and administrators may be addressed to the Texas Department of Licensing and Regulation, P.O. Box 12157, Austin, Texas 78711 (512) 463-6599 or (800) 803-9202