

Labor Allowance Plan

For service or questions, call toll-free (877)977-4949 or visit homewarrantyinc.com.

This Home Protection Plan ("Agreement") is between the provider, Home Warranty of the Midwest, Inc., (or, in Oklahoma only, First Home Warranty of the Midwest) P.O. Box 1, Rock Rapids, IA, 51246, (877)977-4949 ("We", "Us", and "Our") and the named Agreement holder ("You" and "Your").

The Welcome Letter sent to You upon enrollment is incorporated into these terms and conditions. Purchase or registration of this plan implies consent to all Agreement terms and conditions.

Certain items and events are not covered by this Agreement. Please refer to the Exclusions section of this Agreement for details.

COVERAGE REQUIREMENTS

- The covered item must be new and purchased by the current homeowner and come with a manufacturer's warranty.
- Agreement provides a labor allowance on the covered item that is under the manufacturer's warranty for failures resulting from normal wear and tear associated with normal usage of item.
- Purchase or registration of the plan implies consent to all Agreement terms and conditions. Coverage starts on the date of installation and continues for five (5) years from that date. Initial payment for the warranty must be received by Us not more than thirty (30) days after installation of covered item.

COVERAGE

- Agreement provides for a labor allowance on the item for which coverage has been purchased (subject to terms and limitations of this Agreement). Failures determined to have occurred outside the parameters of the manufacturer's warranty will be the homeowner's responsibility. Failure to pay any amount due the servicer from You will result in suspension of warranty coverage until fee is paid, at which time coverage will then be reinstated with no extension of the original coverage period.
- Items for which the coverage is purchased will receive a labor allowance for manufacturer warranty repairs. This amount is based on what We would expect to pay (which may be less than retail cost) for labor. If the part is no longer available from the manufacturer, You will receive a labor allowance based on a comparable repair for the failed part. At no time are We responsible for the cost of parts.
- Homeowner must provide a paid invoice from the service company that performed the warrantied repairs within thirty (30) days of the Agreement's expiration.
- We reserve the sole right to limit the amount paid for any individual repair or replacement.
- If a property has multiple recently installed mechanical systems (heating/cooling/water heater) each system requires the purchase of additional coverage. We will only be involved with the specific unit the coverage was purchased for based on the terms and conditions of this Agreement.

COVERED SYSTEMS

Heating and Cooling Unit

COVERED: New heating and cooling units installed within thirty (30) days of Agreement being put in place. (Each unit will require the purchase of a separate Agreement.)

NOT COVERED: Portable or window units; forced air damper systems; solar heating systems; pellet, corn cob or wood units; radiant cable heat; or fireplaces and associated components; chimneys; outside or underground piping; circulation components or redrilling of wells for water source heat pumps; fuel storage tanks; expansion tanks; filters; timers; heat lamps; humidifiers or dehumidifiers; condensate drain pump; flues and vents; improperly sized or mismatched systems; cleaning and maintenance; freestanding or gas log systems, including gas supply lines; flue dampers; pressure regulators; computerized energy management systems; gas air conditioning systems; electronic air cleaners; water towers; roof jacks and stands; chillers; any system with asbestos; heat recovery units; interconnecting refrigerant lines; water pumps; water cooling towers; pre-coolers; insulation; concrete pads; costs related to leak test, or recapturing refrigerant; baseboard, casings, registers and radiators tied to boiler systems; use of crane.

LABOR ALLOWANCES

FURNACE		AC / HEAT PUMP / GEOTHERMAL	
Part	Labor	Part	Labor
Heat Exchanger	\$600	Compressor	\$500
Collector Box	\$300	Condenser Coil	\$400
Blower Motor	\$250	Evaporator Coil	\$300
Inducer Motor	\$250	TXV	\$250
Gas Valve	\$250	Reversing Valve	\$250
Control Board	\$200	Control Board	\$200
Electric Heat Element	\$150	Condenser Fan Motor	\$150
All other components under warranty	\$100	All other components under warranty	\$100
		Refrigerant on warrantied repairs	\$20/lb

BOILER	
Part	Labor
Casting/heat exchanger	\$600
Burner	\$250
Gas Valve	\$250
All other components under warranty	\$100

EXCLUSIONS

1. Conditions resulting from Your negligence, acts of God, or situations beyond what We consider to be normal usage are not covered (including, but not limited to: abuse, pet/pest damage, theft, water, salt water, flood, fire, lightning, freezing, wind, earth movement, improper installation/ alteration, prior work not done to industry standards, lack of adequate power or water supply, power failure/surges, blown fuses or tripped breakers, unplugged appliances). Items must operate normally following power interruption for coverage to apply.
2. Any system or appliance outside the confines of the home is not covered except for central air conditioning or heat pump units.
3. Agreement covers only single-family residential-use property. Mechanical systems used for commercial or home business use (including, but not limited to, daycare, beauty salon, catering) are not eligible for coverage.
4. Agreement does not pay for repairs associated with lack of performance due to improperly sized or mismatched systems; failure to conduct routine maintenance; build-up of lime, scale, sediment or other chemical deposits; color or purity of water.
5. Agreement does not pay for services associated with routine maintenance.
6. This Agreement is not an insurance policy and will not duplicate or substitute for coverage provided under any insurance policy.
7. Any removal, repair, or replacement of systems whose defect is caused by moisture (including, but not limited to, mildew, mold, rot, fungus, rust, corrosion) is not covered.
8. We will not be responsible for any work or expense (including permits) needed to bring systems into compliance with federal, state, local, utility, or any other jurisdiction's codes or regulations.
9. Agreement does not cover any consequential damages, including but not limited to: damages to persons, real property, personal property, or any other items (whether covered by this Agreement or not) due to the failure of, or lack of timely repair or replacement of, an appliance or system.
10. Removal or reconstruction of, or subsequent or incidental damage to, systems; appliances; units; and walls, floors, carpeting, tile, ceilings and the like necessary to make repairs is not covered. The cost to remove any item from the home to be repaired is not covered.
11. Any system where You have failed or refused to provide a service company access to the item or its supporting systems is exempt from coverage.
12. This Agreement does not cover delays or failures to provide service caused by (or related to) any of the exclusions listed therein; shortages of labor or materials; or unwillingness of the servicer to perform service, verbal abuse, threat of legal action or requests of the servicer to violate ethical standards or misrepresent the true nature of the diagnosis.
13. We will not cover any portion of the repair currently covered under the manufacturer's warranty.

LIMITS OF LIABILITY

Your sole remedy under this Agreement is the recovery of the labor cost of the warranted repair. You agree that in no event will Our liability exceed five thousand dollars (\$5,000) per covered item or fifteen thousand dollars (\$15,000) aggregate during the Agreement period.

This Agreement contains the entire Agreement and understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous Agreements, understandings, inducements and conditions, express or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof. The express terms hereof control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms hereof.

TRANSFER OR CANCELLATION

1. **Transfer:** This Agreement is transferable to a new owner(s) of a covered property but remains tied to the originally warranted systems on the covered property.
2. **Cancellation by Us:** We reserve the right to change or cancel this Agreement upon thirty (30) days written notice stating the reason for an effective date of cancellation mailed to Your last known address in Our records. In the event material misrepresentation (including misrepresentation of equipment condition), or failure to pay, cancellation may be immediate and without notice unless otherwise stated below in "STATE-SPECIFIC AMENDMENTS." If We cancel this Agreement, We shall refund to You one hundred percent (100%) of the unearned prorated purchase price based on months remaining on the Agreement, except for cancellation for nonpayment by You, in which case no refund will be provided. No cancellation fee shall be assessed if this Agreement is cancelled by Us unless otherwise stated below in "STATE-SPECIFIC AMENDMENTS."
3. **Cancellation by You:** You may cancel this Agreement at any time for any reason by submitting a written cancellation request to: Home Warranty of the Midwest, Inc., P.O. Box 1, Rock Rapids, IA 51246 or email Us at info@homewarrantyinc.com with Your Agreement number in the subject line. Cancellation becomes effective at the end of the current month of coverage:
 - a. If You cancel this Agreement within the first thirty (30) days from the date of purchase and no claims have been made, You are entitled to a refund of the full purchase price of the Agreement and no cancellation fee will be assessed unless otherwise stated below in "STATE-SPECIFIC AMENDMENTS." If You are entitled to a refund for such cancellation and such refund is not paid within forty-five (45) days, a penalty of ten percent (10%) of the purchase price shall be added to Your refund for each month such refund remains unpaid.
 - b. If You cancel this Agreement after thirty (30) days from the date of purchase or after a claim has been made, You are entitled to a prorated refund of the unearned purchase price based on months remaining on the Agreement, less the cost of claims paid and a cancellation fee of the lesser of fifty dollars (\$50) or ten percent (10%) of the purchase price, unless otherwise stated below in "STATE-SPECIFIC AMENDMENTS".
4. **Email/Phone Consent:** You agree that we, or a third party acting on Our behalf, may contact You in the future by telephone, electronic mail, or U.S. mail regarding renewal of, changes to, terms regarding, or new products related to Your plan. You may opt out by contacting Us.

MISCELLANEOUS

GOVERNING LAW: VENUE, WAIVER OF CLASS ACTION

Agreement is subject to state and local sales taxes where applicable. We reserve the right to change/amend plan prices, coverage, or Agreement terms without notice. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association or other recognized arbitrator, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof, unless the laws of the state where the Covered Property is located requires otherwise (please refer to *STATE SPECIFIC AMENDMENTS* section), on an individual basis only, and not in any form of class, collective, or private attorney general representative proceeding ("Class Action Waiver"). This binding arbitration provision does not prevent the filing of a complaint with a governmental administrative agency to the extent such complaints are permitted notwithstanding an Agreement to arbitrate. This Agreement shall be construed, and the legal relations between the parties determined, in accordance with the laws of the State of Iowa. Purchase or advertisement of this warranty may result in Us paying a fee or commission to an agency, independent agent or sales associate. Obligations of the provider under this Agreement are backed by the full faith and credit of the provider and are not guaranteed under a reimbursement insurance.

STATE-SPECIFIC AMENDMENTS

Alabama residents: A cancellation fee of the lesser of twenty-five dollars (\$25) or ten percent (10%) of the purchase price of the Agreement will be assessed on any cancellation after thirty (30) days from the date of purchase or after a claim has been made.

Colorado residents: This Agreement may be covered by the Colorado Consumer Protection Act and/or the Unfair Practices Act, Article 1 of Title 6 of the Col. Rev. Stat. You may have a right to civil action under those laws, including obtaining the recourse or penalties specified in those laws. Repairs will begin within forty-eight (48) hours after We return Your call or as otherwise agreed. Once a claim is properly submitted and verified, payment will be made within thirty (30) days of verification of the claim.

Georgia residents: No claims paid will be deducted from any refund owed. We may not cancel this Agreement for any reason other than nonpayment of the purchase price by You, fraud, or misrepresentation by You. This Agreement is backed by a surety issued by Travelers Casualty and Surety Company of America, 1 Tower Square, 2MS, Hartford, CT 06183. You have the right to make a direct claim to Travelers Casualty and Surety Company of America in the event that We do not pay a claim or provide a refund within sixty (60) days after You have filed the proof of loss.

Illinois residents: A cancellation fee of the lesser of fifty dollars (\$50) or ten percent (10%) of the purchase price of the Agreement will be assessed on any cancellation.

Indiana residents: Our obligations under this Agreement are backed by reimbursement insurance policy issued by Chubb Group of Insurance Companies, 202B Hall's Mill Road, Whitehouse Station, NJ 08889, (800)699-9916. If We have not paid a claim or provided service within sixty (60) days of Your request being made, including refunds, You are entitled to make a claim directly with the insurer.

Iowa residents: The issuer of this Agreement is subject to regulation by the Insurance Division of the Department of Commerce of the State of Iowa, Commissioner: Doug Ommen, 1963 Bell Avenue, Suite 100, Des Moines, IA 50315. Complaints that are not settled by the issuer may be sent to the Insurance Division, 1963 Bell Avenue, Suite 100, Des Moines, IA 50315.

The time period for payment of a full refund before a penalty is assessed is amended from forty-five (45) days to thirty (30) days.

We reserve the right to change or cancel this Agreement upon fifteen (15) days' written notice.

Kentucky residents: The maker maintains a performance bond in accordance with the regulations as set forth by the Commonwealth of Kentucky. The holder of the Agreement shall be entitled to make a direct claim against the insurer upon the failure of the maker to pay any claim within sixty (60) days after the claim has been filed with the maker: United States Fire Insurance Company, 11490 Westheimer Rd, Ste. 300, Houston, TX 77252-2807.

Michigan residents: If performance of the Agreement is interrupted because of a strike or work stoppage at the company's place of business, the effective period of the Agreement shall be extended for the period of the strike or work stoppage.

Minnesota residents: In the event of Our cancellation of this Agreement due to Your nonpayment of the purchase price or material misrepresentation, We will provide only five (5) days' notice of cancellation.

Nevada residents: In accordance with the laws of the State of Nevada, if this contract is issued in Nevada, only Nevada law, and not the laws of any other state, may govern its substantive provisions. No claims paid will be deducted from any refund owed. If You cancel this Agreement after thirty (30) days from the date of purchase or after a claim has been made, a cancellation fee of the lesser of twenty-five dollars (\$25) or ten percent (10%) of the purchase price of the Agreement will be assessed. Discovery of fraud or material misrepresentation by the holder in obtaining the service contract, or in presenting a claim for service thereunder may result in cancellation of this Agreement upon fifteen (15) days written notice of the event. Weekend, holiday, and evening service will be performed only in the event of a failure or malfunction of a covered item, for which repair is prescribed under this Agreement, which is essential to Your health and safety (Emergency Repair). A claim will qualify for Emergency Repair if the emergency involves the loss of heating or cooling, loss of plumbing, or substantial loss of electrical service and the emergency renders the dwelling unfit for a person to live in because of defects that immediately endanger the health and safety of the occupants of the dwelling. Repairs will commence within twenty-four (24) hours after the report of the claim and will be completed as soon as reasonably practicable thereafter. If We determine that an Emergency Repair cannot practicably be completed within three (3) calendar days after the report of the claim, We will provide a status report to You and the Nevada Commissioner of Insurance. In the event You are not satisfied with the manner in which We are handling a claim, You may file a complaint with the Nevada Division of Insurance by calling (888)872-3234.

New Mexico residents: The time period for payment of a full refund before a penalty is assessed is amended from forty-five (45) days to sixty (60) days. We may not cancel this Agreement once it has been in effect for seventy (70) days except for (1) Your failure to pay an amount when due; (2) Your conviction for a crime that results in an increase in the service required under the Agreement; (3) discovery of fraud or material misrepresentation by You in obtaining this Agreement or in making a claim; or (4) discovery of either of the following if it occurred after the effective date of the Agreement and substantially and materially increased the service required under the Agreement: (a) an act or omission by the holder; or (b) a violation by the holder of any condition of the Agreement.

North Carolina residents: We may only cancel this Agreement for Your non-payment or for a direct violation of this Agreement by You.

Oklahoma residents: In Oklahoma, We are operating under First Home Warranty of the Midwest, 303 S. 2nd Ave., Rock Rapids, IA 51246 (Oklahoma ID #503353503).

Oregon residents: Any claim or dispute by Customer against Home Warranty may be resolved by arbitration only upon mutual consent of the parties. This Contract shall be governed, construed and enforced in accordance with the laws of the State of Oregon without regard to principles of conflicts of law.

South Carolina residents: In the event of a dispute with the provider of this Agreement, You may contact the South Carolina Department of Insurance, Capitol Center, 1201 Main St., Ste. 1000, Columbia, SC 29201 or (800)768-3467.

TEXAS RESIDENTS: Obligations of the provider under this service contract are backed by the full faith and credit of the provider and are not guaranteed under a reimbursement insurance policy. **Service under this Agreement will be initiated within forty-eight (48) hours of a request for service being made. We may not cancel this Agreement for any reason other than nonpayment of the purchase price by You, fraud, or misrep-resentation by You, or if the Agreement is contingent on an interest in real property not being sold.**

This Agreement is issued by a Residential Service Company licensed by the Texas Real Estate Commission. Complaints about this Agreement or company may be directed to the Texas Department of Licensing and Regulation, Service Contract Providers, P.O. Box 12157, Austin, TX 78711, (512)463-6599. The purchase of a residential service contract or home warranty contract is optional and similar coverage may be purchased from other residential service companies or insurance companies authorized to conduct business in Texas.

NOTICE: YOU THE BUYER HAVE OTHER RIGHTS AND REMEDIES UNDER THE TEXAS DECEPTIVE TRADE PRACTICES–CONSUMER PROTECTION ACT WHICH ARE IN ADDITION TO ANY REMEDY WHICH MAY BE AVAILABLE UNDER THIS AGREEMENT. FOR MORE INFORMATION CONCERNING YOUR RIGHTS, CONTACT THE CONSUMER PROTECTION DIVISION OF THE ATTORNEY GENERAL’S OFFICE, YOUR LOCAL DISTRICT OR COUNTY ATTORNEY OR THE ATTORNEY OF YOUR CHOICE.

Signature: _____

Agreement Number: _____
(We will provide)

NOTICE: THIS COMPANY PAYS PERSONS NOT EMPLOYED BY THE COMPANY FOR THE SALE, ADVERTISING, INSPECTION, OR PROCESSING OF A RESIDENTIAL SERVICE CONTRACT UNDER TEXAS OCCUPATIONS CODE §1303.304.

Utah residents: Coverage afforded under this contract is not guaranteed by the Property and Casualty Guaranty Association. In the event of a dispute with the provider of this Agreement, You may contact the Utah Department of Insurance. ANY MATTER IN DISPUTE BETWEEN YOU AND THE COMPANY MAY BE SUBJECT TO ARBITRATION AS AN ALTERNATIVE TO COURT ACTION PURSUANT TO THE RULES OF (THE AMERICAN ARBITRATION ASSOCIATION), A COPY OF WHICH IS AVAILABLE ON REQUEST FROM THE COMPANY. ANY DECISION REACHED BY ARBITRATION SHALL BE BINDING UPON BOTH YOU AND THE COMPANY. THE ARBITRATION AWARD MAY INCLUDE ATTORNEY’S FEES IF ALLOWED BY STATE LAW AND MAY BE ENTERED AS A JUDGEMENT IN ANY COURT OF PROPER JURISDICTION. This Agreement shall be construed, and the legal relations between the parties determined, in accordance with the laws of the State of Utah.

Grounds for cancellation pursuant to 31A-21-303 (2)a include material misrepresentation, substantial change in risk and substantial breaches of contractual duties effective no sooner than thirty (30) days after written notice to the contract holder. Cancellation for nonpayment is effective no sooner than ten (10) days after written notice to the contract holder.

Wisconsin residents: THIS AGREEMENT IS SUBJECT TO LIMITED REGULATION BY THE OFFICE OF THE COMMISSIONER OF INSURANCE. Any claim or dispute by Customer against Home Warranty may be resolved by arbitration only upon mutual consent of the parties. This Contract shall be governed, construed and enforced in accordance with the laws of the State of Wisconsin without regard to principles of conflicts of law. Exclusive jurisdiction shall be in the courts located within the jurisdiction in which the Covered Property is located.

Wyoming residents: The Wyoming Constitution, Article 19, Section 8 states that, “The legislature may provide by law for the voluntary submission of differences to arbitrators for determination and said arbitrators shall have such powers and duties as may be prescribed by law; but they shall have no power to render judgment to be obligatory on parties; unless they voluntarily submit their matters of difference and agree to abide the judgment of such arbitrators.” This Agreement shall be construed, and the legal relations between the parties determined, in accordance with the laws of the State of Wyoming. Any legal proceedings shall take place in the State of Wyoming.