

TERMS AND CONDITIONS

You have a \$75 deductible per service call.
IMPORTANT: Contract holder must call 1-800-769-6142 to arrange for authorized repairs or the claim will not be paid.

KEY TERMS:

We, Us, and Our means Aon Home Warranty Services, Inc.

You and Your means the contract holder.

Breakdown means a mechanical failure of the covered system, component or appliance to perform its fundamental operation(s) in normal service.

A. COVERAGE

During the Term of Coverage, subject to the terms and conditions of this contract, **We** agree, in the event of a covered **Breakdown**, to arrange for a qualified service contractor to repair or replace the appliances and systems located at the address listed above.

This contract covers only single-family homes under 5,000 square feet, unless an alternative dwelling type is applied for and the appropriate fee is paid.

Homes greater than 8,000 square feet are not eligible for coverage.

Coverage is subject to a \$75 per service call deductible and the limitations and conditions as specified in this contract. In the event You fail or refuse to pay the repairer or Us such deductible or other amounts due, no additional claims will be honored until such amounts are paid. Please read the contract carefully.

B. COVERAGE PERIOD

Coverage under this contract is only valid after **Our** acceptance of the application form and receipt of full payment.

For the Home Seller, coverage begins on the date **We** receive and accept the application form and continues for 180 days, or until close of sale, or termination of listing, whichever occurs first. Payment for Optional Seller's HWC coverage is due upon **Our** confirmation or acceptance of the application form, and must be received by **Us** within twenty (20) days in order for coverage to be in force.

For the Home Buyer or Lessee, coverage begins at the close of sale and continues for the period noted as Term of Coverage. Payment is due at the close of sale and must be received by **Us** within twenty (20) days after the close of sale in order for coverage to be in force.

For the New Construction Home Buyer, coverage begins on the first year anniversary of the close of sale and continues for the period noted as Term of Coverage. Payment is due at the close of sale and must be received by **Us** within twenty (20) days after the close of sale in order for coverage to be in force.

For the Real Estate Professional, coverage begins thirty (30) days after the application is received and accepted by **Us** and continues for the period noted as Term of Coverage. Payment is due to **Us** within twenty (20) days after receiving the application form in order for coverage to be in force.

C. CUSTOMER SERVICE - YOUR RESPONSIBILITIES

We will not pay for any services performed without Our prior approval. Notice of any Breakdown must be given to Us immediately upon discovery and during the coverage period.

1. When repair is required, **You** are to telephone **Us** at 1-800-769-6142. **We** will accept calls 24-hours a day, 7 days a week. **You** or the service provider will receive an authorization number for each **Breakdown**.

a) **NON-EMERGENCIES:** Meaningful service will be initiated and completed as soon as reasonably possible. Service will be scheduled during normal business hours.

b) **EMERGENCIES:** **We** will consider a request for service to be an emergency only if, in **Our** opinion, the **Breakdown** renders **Your** home uninhabitable such as failure of air conditioning in extreme heat or failure of heating system in periods of extreme cold or electrical arcing or running water that cannot be shut off. In the event **We** determine that a **Breakdown** has created an emergency, service will be requested immediately. Once service is initiated, it will be completed as soon as reasonably possible.

The claim will be approved or disapproved only after We consult with the repairer and receive an estimate of costs.

2. At **Our** discretion, a **Breakdown** may be remedied by repair or replacement. Repair or replacement shall be performed by a licensed repairer who provides a written parts and labor guarantee of not less than sixty (60) days for covered repairs.

3. **You** are obligated to provide information relating to the cause and nature of any **Breakdown**. This information may include estimates, copies of inspection reports, or other supporting information. If asked, **You** must sign forms needed for **Us** to provide service under this contract. In all cases, **You** must take every precaution to protect the covered property until the necessary repair or replacement is authorized by **Us** and the work is completed.

4. Misrepresentation or any attempt to defraud **Us**, including collusion between **You** and repair personnel, shall result in a denial of coverage, and **We** shall seek reimbursement and may pursue remedies under the law.

5. **You** are responsible for the payment of the \$75 deductible (or actual cost of service, whichever is less) for the covered **Breakdown**. This payment must be made to the repairer prior to completion of any work performed.

6. If the service work performed under this contract fails within a sixty (60) day period, and it was performed by a licensed repairer chosen by **Us**, **We** will arrange for the necessary repairs without an additional deductible requirement even after contract expiration.

7. **We** reserve the right to obtain a second opinion or have an inspection performed by a contractor of **Our** choosing on any repair or replacement.

8. Claim documentation and any correspondence can be sent to Aon Home Warranty Services, Inc., P.O. Box 805078, Chicago, IL 60680-9741.

D. PAYMENT OF CLAIMS

When possible, payment arrangements will be made with the repairer prior to completion of the work. In some cases, **You** may be required to pay for the repair or replacement of the covered item, in which case, **We** will reimburse **You**, less applicable deductibles, when **We** receive **Your** paid invoice(s).

You must report all Breakdowns to Us - unauthorized charges will not be reimbursed.

E. EXCLUSIONS

Performance of a Home Inspection does not preclude application of any of the following EXCLUSIONS.

We are not responsible for:

1. Repair or replacement if **Breakdown** is caused by any of the following:
 - a. The alteration, modification, addition to or deletion from the covered property.
 - b. Negligence, misuse, abuse or use not intended by the manufacturer; improper service or maintenance by an unqualified service contractor.
 - c. The addition to existing systems or loads in greater quantities or capacities than the original design, or gradual reduction in performance due to wear and tear where no failure has occurred.
 - d. Freezing, fire, wind, water, flood, lightning, ice, hail, snow, explosion, chemical, sedimentary or mineral build up, mold, mud, earthquake, soil movement, storm, pet damage, pest damage, vandalism, accident or condition other than normal use of the system.
 - e. Lack of capacity, adequacy, efficiency, design or improper installation of any system, component or appliance.
 - f. Failure to provide customary maintenance as specified by the equipment manufacturer, missing parts, structural changes, or electrical failure or power surge.
2. Any and all costs associated with a repair visit, if it is determined that coverage under this contract **does not apply**, or no covered **Breakdown** is discovered. **You** are responsible for the cost of the entire repair visit (including any and all costs associated with gaining access to equipment).
3. Failure to provide service due to conditions beyond **Our** control, including but not limited to – delays in obtaining parts or equipment or labor difficulties.
4. Obstructed access to covered equipment. Obstructed access includes but is not limited to expenses to open or close walls, floors and ceilings, including removal and replacing tile, linoleum, wood, carpeting, paneling, stucco, cabinets, other systems or appliances, wall mountings, decorations, trim, wall paper or anything else blocking the access point of the covered equipment.

We will provide access through unobstructed walls, ceilings, and floors only, and will return the access point to a rough finish. Rough finish is defined as covering the access point with wallboard, plaster, or plywood. This does not include paint, tile, linoleum, wood (excluding plywood), carpet, panel, or stucco.
5. Expenses related to hauling away equipment or other disposal costs.
6. Repair or replacement of any cosmetic defects, or performance of routine maintenance.
7. Secondary or consequential damages resulting from the **Breakdown** of any covered or non-covered item.
8. Any decorating, or secondary or consequential repairs or replacements made necessary by the provision of **Our** services.
9. Repairs or replacements caused by **pre-existing defects or deficiencies**, including but not limited to covered items with **latent manufacturer's defects**.
10. Repairs or replacements performed without **Our** prior authorization.
11. Repairs or replacements arising from manufacturer's recalls, defects, or class action suits.
12. Repairs or replacements of covered items otherwise covered under any other type of manufacturer warranty, service contract or insurance policy.
13. Repairs or replacements of systems and appliances classified by the manufacturer as commercial.
14. Electronic, computerized or energy management systems or devices, including programmable thermostats, low-voltage wiring and relays, lighting and appliance management systems.
15. Any costs associated with treatment, removal, recovery, disposal, transport or storage of any known or suspected toxic or hazardous substance/material. Repairs where there is environmental contamination or if such repairs would cause contamination. Any costs associated with freon recovery or the disposal of refrigerants or contaminants.
16. Correcting or upgrading any parts, equipment and/or systems in order to comply with any federal, state or local laws, code violation, regulations, efficiency requirements, or ordinances or utility regulations. **We** are not responsible for service when permits cannot be obtained, nor will **We** pay any costs relating to permits.
17. Systems or appliances recessed in the foundation or exterior walls that are exposed to the outside conditions.
18. Access to a covered appliance or system through an exterior wall. This contract covers interior access only.
19. Repairs to Mobile Homes NOT installed on a permanent foundation.
20. Shared systems and appliances; (eg. HVAC systems shared by tenants within a multiple-unit dwelling) unless each unit is simultaneously covered by one of **Our** service contracts.
21. Residential property that is used for commercial, business, or care purposes, including but not limited to: day care centers, fraternity/sorority houses, nursing or special care homes or facilities.

22. Systems and appliances not located within the perimeter of the main foundation or the attached garage at the covered address, unless otherwise specified in SECTION I, EQUIPMENT ELIGIBLE FOR COVERAGE.
23. Systems and appliances not properly installed and maintained and fully operational at the start of this contract.
24. Repairs or replacements of appliances not purchased as part of the home purchase.
25. Repairs or replacement to a vacant property (including vacation property) whereas all utilities were not in service throughout the coverage period and for the ninety (90) days preceding the coverage period.
26. Repairs or replacement of swimming pool and spa equipment that do not utilize common equipment, unless separate coverage is purchased for both items.

F. LIMITS OF LIABILITY

1. Coverage for access, diagnosis and repair or replacement is limited to:
 - INTERNAL PLUMBING SYSTEM:**
 - \$500 per coverage term for concrete-encased plumbing system.
 - \$500 per coverage term for Polybutylene piping.
 - WATER HEATER:**
 - \$500 per coverage term for water heater.
 - SEPTIC SYSTEM:**
 - \$1,000 per coverage term for septic system.
 - HEATING SYSTEM:**
 - \$1,500 per coverage term for heating system.
 - AIR CONDITIONING / COOLER SYSTEM:**
 - \$1,500 per coverage term for air conditioning/cooler system.
 - DUCTWORK:**
 - \$500 per coverage term for inaccessible or concrete-encased ductwork.
 - HOME SELLER OPTIONAL HVAC:**
 - \$1,500 per coverage term for access, diagnosis, and repair and replacement of any and all HVAC (heating, ductwork and air conditioning).
 - ROOF LEAK REPAIR:**
 - \$500 per coverage term for roof leak repair.
 - SWIMMING POOL:**
 - \$1,500 per coverage term for swimming pool.
 - SPA:**
 - \$1,500 per coverage term for spa.
 - SWIMMING POOL/SPA (common equipment):**
 - \$1,500 per coverage term for swimming pool/spa (common equipment).
 - ICE MAKER:**
 - Limited to the repair or replacement of the Ice Maker. Does not include replacement of the covered refrigerator if the covered Ice Maker can not be repaired or replaced separately.
2. If **We** decide to replace equipment, **We** are responsible for replacement equipment of similar features, capacity and efficiency, but not for matching dimensions, brand, or color.
3. When the condition of cabinetry prohibits necessary repairs to components of any covered item, **Our** obligation is limited to the cost of repair to covered components only.
 - We** are not responsible for any cabinetwork relating to appliance repair or replacement.
4. **We** are not responsible for upgrades nor for the cost of construction, carpentry, or other modifications made necessary by removing existing equipment or installing different equipment.
5. Where corrections are necessary as a condition for service, **You** are responsible, and coverage under this contract will not be provided until such corrections are made.
6. Any **Breakdown** caused by (a) rust or corrosion and/or (b) collapsed ductwork is not covered during the entire coverage period for the **Home Seller**.
7. Any **Breakdown** caused by (a) rust or corrosion and/or (b) collapsed ductwork is not covered during the first thirty (30) days of coverage for the **Home Buyer**.

G. TRANSFER OF CONTRACT AND RENEWALS

1. If the covered property is sold during the coverage period of the Buyer, coverage may be transferred for a \$25 transfer fee by contacting **Us** at 1-800-747-5152.
2. This contract is **renewable at Our** option. If **We** choose to renew **Your** contract, **You** will be offered the terms, conditions and rates that are currently in effect in **Your** state.

H. CANCELLATION

1. This contract shall be:
 - (a) Cancelable by **You** within thirty (30) days of purchase if no coverage has been provided. To cancel, **You** must send written notice to **Us**. The purchaser shall be entitled to a full refund of the paid contract fee less a \$30 cancellation fee.
 - (b) Non-cancelable by **You** after thirty (30) days, or if coverage has been provided.
2. This contract shall be non-cancelable by **Us**, except for:
 - (a) Nonpayment of contract fees;
 - (b) Fraud or material misrepresentation; or
 - (c) When contract is for listing coverage and close of sale does not occur.

If the contract is cancelled by **Us**, the purchaser may be entitled to a pro-rata refund of the paid contract fee for the remaining term, less a \$30 cancellation fee.

I. EQUIPMENT ELIGIBLE FOR COVERAGE

COVERAGE FOR THE BUYER AND THE SELLER



1. INTERNAL PLUMBING SYSTEM

COVERED: Leaks and breaks of water, drain, gas, waste or vent lines • toilet tanks, bowls and mechanisms (replaced with builder's standard as necessary) • toilet wax ring seals • valves for shower, tub, and diverter • angle stops • risers and gate valves • permanently installed sump pumps • built-in bathtub whirlpool motor and pump assemblies • instant hot water dispenser.

NOT COVERED: Leaks, breaks, collapse or damage to water, drain, gas, waste or vent lines caused by freezing, roots, rocks, or earth movement • faucets and fixtures • bathtubs, shower enclosures and base pans • sinks • toilet lids and seats • caulking or grouting • septic tanks • water softeners • pressure regulators • inadequate or excessive water pressure • sewage ejector pumps • holding or storage tanks • saunas or steam rooms • stoppages • leach beds • fire sprinkler systems • lawn sprinklers • battery back-up sump pumps • polybutylene piping repair or replacement due to manufacturer defects • frost free line • plumbing, piping, fixtures or any other item listed as covered that is located outside the foundation of the home • components not listed in the covered section.

SEE SECTION F. FOR LIMITS OF LIABILITY.



2. WATER HEATER (Gas, Electric or Propane)

COVERED: All components and parts, except as noted as NOT COVERED.

NOT COVERED: Solar or solar assisted water heaters • solar components • holding or storage tanks • noise • fuel storage tank and energy conservation unit • flues and vents • oil fired water heaters • failure caused by sediment or mineral build-up • earthquake straps • mounting stands • pool and/or spa water heaters.

SEE SECTION F. FOR LIMITS OF LIABILITY.



3. INTERNAL ELECTRICAL SYSTEM

COVERED: General wiring • inside fuse box • inside circuit breaker panels • switches and receptacles located within the interior of the home.

NOT COVERED: Meter boxes • fixtures • alarms • intercoms • direct current (DC) wiring or components • power failure or surge • telephone wiring • any wiring or other electrical items located outside the perimeter of the principal dwelling and attached garage • any loss due to water seepage along service cable • conditions of inadequate wiring capacity or overload • low voltage wiring or relays • control panels • outside mounted circuit breaker panel • obstructed access to cover equipment • components not listed in the covered section.



4. DISHWASHER (Built-in or Portable)

COVERED: All components and parts, except as noted as NOT COVERED.

NOT COVERED: Racks • basket(s) • rollers.



5. GARBAGE DISPOSAL

COVERED: All components and parts.



6. BUILT-IN MICROWAVE OVEN

COVERED: All components and parts, except as noted as NOT COVERED.

NOT COVERED: Interior linings • door glass • light bulbs • clocks • shelves • portable or counter-top units • meat probe assemblies • rotisseries.



7. RANGE/OVEN/COOKTOP (Gas or Electric; Built-in, Portable or Free Standing)

COVERED: All components and parts, except as noted as NOT COVERED.

NOT COVERED: Clocks or light bulbs (unless they affect the function of the oven) • meat probe assemblies • rotisseries • racks • handles • knobs • sensi-heat burners will only be replaced with standard burners.



8. EXHAUST FANS

COVERED: Motors • switches • controls • bearings • blades.

NOT COVERED: Belts • shutters • filters • components not listed in the covered section.



9. TRASH COMPACTOR (Built-in or Portable)

COVERED: All components and parts, except as noted as NOT COVERED.

NOT COVERED: Lock and key assemblies • removable buckets.



10. KITCHEN REFRIGERATOR

COVERED: All components and parts of the primary kitchen refrigerator including integral freezer unit, except as noted as NOT COVERED.

NOT COVERED: Racks • shelves • ice makers • ice crushers • beverage dispensers and their respective equipment • interior thermal shells • freezers which are not an integral part of the refrigerator • food spoilage • light bulbs.

ADDITIONAL COVERAGE FOR THE HOME BUYER



11. SEPTIC SYSTEM

A septic certification must be completed within sixty (60) days prior to the start of coverage. If this certification is not completed on **Your** behalf, **You** must have an independent, licensed contractor perform the certification. A copy of the certification documenting that the system was functioning properly at the time of inspection must be provided to **Us** prior to any septic coverage being effective.

COVERED: Ejector pumps • septic tank • line from house.

NOT COVERED: Collapse of or damage to line from house caused by roots, rocks, or earth movement • tile fields • effluent pumps • leach beds • cesspools • aerobic waste water systems • insufficient capacity • clean out • components not listed in the covered section.

SEE SECTION F. FOR LIMITS OF LIABILITY.

ADDITIONAL COVERAGE FOR THE HOME BUYER,

OPTIONAL COVERAGE FOR THE HOME SELLER



12. HEATING SYSTEM

CONDITION: Coverage available on the home's primary heating and cooling systems with nominal heating and cooling capacities not exceeding five (5) tons for heating or for cooling.

COVERED: All components and parts (except as noted as NOT COVERED) located within the primary dwelling relating to: forced air systems • geothermal (ground source) and/or water source heat pump components • heat exchanger and/or combustion chamber.

NOT COVERED: Baseboard casings • portable units • solar heating systems • fireplaces and key valves • fireplace inserts • chimneys • filters • registers • humidifiers • dehumidifiers • grills • clocks • timers • heat lamps • fuel storage tanks • flues and vents • electronic or programmable thermostats • GFX or heat recovery systems • radiant floor tubing • outside or underground piping and components for geothermal and/or water source heat pumps.

SEE SECTION F. FOR LIMITS OF LIABILITY.



13. AIR CONDITIONING/COOLER

CONDITION: Coverage available on the home's primary heating and cooling systems with nominal heating and cooling capacities not exceeding five (5) tons for heating or for cooling.

COVERED: All components and parts (except as noted as NOT COVERED) relating to: ducted electric central air conditioning • ducted electric wall air conditioning • water evaporative coolers • heat pumps which heat or cool the home.

NOT COVERED: Natural gas air conditioning systems • condenser casings • registers • grills • filters • evaporated cooling pads • electronic air cleaners • window units • non-ducted wall units • water towers • roof jacks or stands • flues and vents • improperly sized air conditioning unit • chillers • humidifiers • dehumidifiers • electronic or programmable thermostats • outside or underground piping and components for geothermal and/or water source heat pumps.

SEE SECTION F. FOR LIMITS OF LIABILITY.



14. DUCTWORK

COVERED: Exposed ductwork.

NOT COVERED: Registers • grills • dampers • insulation • asbestos-insulated ductwork.

SEE SECTION F. FOR LIMITS OF LIABILITY.

OPTIONAL COVERAGE (AVAILABLE ONLY TO THE HOME BUYER)

CONDITION: You may purchase any optional coverage on properly functioning systems and appliances for up to thirty (30) days after the start of coverage.

The coverage period for this optional coverage shall:

- commence upon Our receipt of Your payment (or one year after the closing date, for the New Construction coverage)
- expire in accordance with the guidelines outlined in Section B. Coverage Period, and the limitations of liability specified in Section F.

15. SMART BUYER OPTION



15a. BURGLAR AND FIRE ALARM

COVERED: All components and parts, except as noted as NOT COVERED.

NOT COVERED: Any wiring or other electrical items located outside the perimeter of the principal dwelling • any loss due to water seepage along service cable • fire sprinkler systems • video or monitoring equipment.



15b. GARAGE DOOR OPENER

COVERED: All components and parts, except as noted as NOT COVERED.

NOT COVERED: Garage doors • counterbalance mechanisms (including cables and springs) • tracks • rollers • remote sending units.



15c. ROOF LEAK REPAIR

COVERED: Water leaks in roof structure.

NOT COVERED: Pre-existing leaks • gutters • drain lines • roof-mounted installations (samples include skylights, atriums, antennas, satellite dish) • leaks caused by the addition of a roof-mounted installation • leaks associated with leaks in any deck or balcony • leaks which result from or are caused by any of the following: missing and/or broken shingles or tiles, damage due to persons walking or standing on the roof • construction or repairs not performed in a workmanlike manner • failure to perform normal roof maintenance • acts of nature (samples include fire, tornado, hurricane, hail, wind, earthquake and lightning).

SEE SECTION F. FOR LIMITS OF LIABILITY.



15d. DOORBELL SYSTEM

COVERED: All components and parts, except as noted as NOT COVERED.

NOT COVERED: Any Audio/Video surveillance systems, intercom systems, or computers/monitors working in conjunction with the doorbell system.



15e. CENTRAL VACUUM SYSTEM

COVERED: All components and parts, except as noted as NOT COVERED.

NOT COVERED: Ductwork • any accessories.



15f. CEILING AND ATTIC FANS

COVERED: Motors • switches • controls • bearings • blades • remote control units.

NOT COVERED: Belts • shutters • filters • components not listed in the covered section.



15g. INTERNAL TELEPHONE WIRING

COVERED: All components and parts, except as noted as NOT COVERED.

NOT COVERED: Any Audio/Video surveillance systems, intercom systems, or computers/monitors working in conjunction with the telephone system • any wiring or other electrical items located outside the perimeter of the principal dwelling • any loss due to water seepage along service cable.

OTHER OPTIONAL COVERAGES



16. WASHER/DRYER PACKAGE

16a. CLOTHES WASHER

COVERED: All components and parts, except as noted as NOT COVERED.

NOT COVERED: Plastic mini-tubs • soap dispensers • filter screens • knobs and dials • damage to clothing.



16b. CLOTHES DRYER

COVERED: All components and parts, except as noted as NOT COVERED.

NOT COVERED: Venting • lint screens • knobs and dials • damage to clothing.



17. POOL AND/OR SPA EQUIPMENT

CONDITION: If swimming pool and spa (including exterior hot tub and whirlpool) utilize common equipment, both can be covered by selecting and paying for the swimming pool/spa package (common equipment). If they do not utilize common equipment, then only the optional swimming pool or spa, which is selected and paid for, will be covered. Selected coverage is limited to a single swimming pool or spa.

COVERED: All components and parts of the heating, pumping and filtration systems, except as noted as NOT COVERED.

NOT COVERED: Pool sweep motors • pool covers • lights • liners • concrete-encased or underground electrical, plumbing or gas lines • cleaning equipment • chlorinators • motors, pumps or any mechanism used in association with a waterfall or fountain • any other attachment not associated with the primary function of the covered equipment • structural defects • solar equipment • jets • fuel storage tanks • built-in or detachable cleaning equipment, including pop-up heads, turbo valves, creepy crawlers and the like • disposable filtration mediums.

SEE SECTION F. FOR LIMITS OF LIABILITY.



18. ICE MAKER

COVERED: All components and parts of an ice maker which is built-in to a covered kitchen refrigerator.

SEE SECTION F. FOR LIMITS OF LIABILITY.



19. FREEZER

COVERED: All components and parts of chest or upright freezers, except as noted as NOT COVERED.

NOT COVERED: Racks • shelves • ice makers and ice crushers • beverage dispensers and their respective equipment • interior thermal shells • food spoilage.



20. WELL PUMP

COVERED: All components and parts of well pump utilized for primary dwelling only, except as noted as NOT COVERED.

NOT COVERED: Well casings • pressure tanks • piping or electrical lines leading to or connecting well pump and main dwelling • holding or storage tanks • re-drilling of wells.

J. STATE AMENDMENTS

NEW HAMPSHIRE

In the event you do not receive satisfaction under this contract, you may contact the New Hampshire Insurance Department, 56 Old Suncook Rd., Concord NH 03301-7317 or by phone at 1-800-852-3416.

CONNECTICUT AND NEW HAMPSHIRE

Obligations of the provider under this service contract are guaranteed under a service contract reimbursement insurance policy by Virginia Surety Company, Inc., with home offices located at 1000 North Milwaukee Avenue, Glenview, IL 60025, 1-800-209-6206. If **We** fail to pay any valid claim within sixty (60) days after proof of loss has been filed, **You** are entitled under state law to make claim directly against Virginia Surety Company, Inc. at the address shown above.