

THIS IS A SAMPLE PLAN AGREEMENT

Electrical Category		
Covered Item	What is Covered	What is Not Covered
Outlets	All parts and components.	Not Applicable.
Light Switches	All parts and components.	Not Applicable.
Ceiling Fans	All parts and components.	Not Applicable.
Built-In Exhaust Fan	All parts and components for all built-in exhaust, bathroom, attic, and whole house fans.	Not Applicable.
Doorbell Units	All parts and components of a hard-wired doorbell unit.	Any doorbell that is part of an intercom, video monitoring, or security system.
Other Electrical Components: Lines, Wiring, Breaker Box and Panel	Hard wired electrical lines, wiring, breaker box, and electrical panels that provide electrical power to the Covered Home.	<ul style="list-style-type: none"> (i) Audio, video, computer, intercom, alarm, or security wiring or cable; (ii) Meter boxes; (iii) Lighting Fixtures; (iv) Direct current (D.C.) wiring or components and/or low voltage systems; (v) Any type of home generator (including back-up and portable or installed generators) and associated electrical wiring and switches; and (vi) Electrical panel boxes that solely provide electrical power to items or structures located outside the main foundation of the Covered Home.

Plumbing Category		
Covered Item	What is Covered	What is Not Covered
Water Heater Units	All parts and components of the water heater unit including the tank, circulating pumps, mixing valves and thermal expansion tanks.	Tempering tanks (holding and storage tanks); or fuel storage tanks.
Toilets	All parts and components.	Toilet Seat and Lid; Toilet Tank Lid.
Faucets and Hose Bibs	All parts and components.	Not Applicable.
Shower Heads	All parts and components.	<ul style="list-style-type: none"> (i) Any steam component of the shower head or shower; and (ii) Shower towers.
Pressure Regulators	All parts and components.	Not Applicable.

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6. Are Modifications, permits, testings, and inspections covered by this Plan Agreement?

A. This Plan Agreement does not cover Modifications related to a Covered Breakdown of a Covered Item unless Applicable Law expressly requires this Plan Agreement to provide coverage for the specific Covered Item Modification.

B. This Plan Agreement does not cover the costs associated with any permits, tests, the correction of existing code violations, or inspections that may be necessary to complete the approved repair or replacement of the Covered Item even if required by Applicable Law.

C. If your Plan is ShieldPlatinum, this Plan Agreement will provide coverage up to the Modifications Limit for any of the following: (i) duct, plenum, electrical, and/or plumbing Modifications that are necessary to complete the repair or replacement of the Covered Item, provided that the duct, plenum, electrical, or plumbing item to which the Modification is being performed is identified by this Plan Agreement as a Covered Item; and (ii) permits, testing, the correction of existing code violations, and/or inspections required by Applicable Law that may be necessary to complete the approved repair or replacement of a Covered Item. The Modifications Limit is \$250 and is in addition to any applicable Covered Item Limit, subject to this Plan Agreement's Aggregate Limit of Liability. **Once the Modifications Limit has been met, the provisions in this Section apply to any costs above the Modifications Limit.**

7. What are the general limitations and exclusions that apply to your coverage?

To the extent the following general limitations and exclusions apply, this Plan Agreement does not provide coverage for the following:

A. **Costs of Construction and Modifications Limitation.** Unless otherwise expressly stated in this Plan Agreement, we will not pay for the costs of construction, carpentry, restoration, or any other Modification(s) within the Covered Home. In addition, this Plan Agreement does not provide any coverage for any Modification to any item that is not identified as a Covered Item in the Plan Summary.

B. **Commercial Use Limitation.** Other than a Covered Home rented for residential use, if you use any portion of your Covered Home for commercial purposes in which the public is invited on or into your Covered Home, any Covered Items located or Covered Breakdowns that occur in that portion of your Covered Home are not covered. Also, if commercial use of your Covered Home causes a Covered Item to experience a Covered Breakdown (even if located in a portion of the Covered Home not used for commercial purposes), the Covered Breakdown is not covered.

C. **Shared Items and Systems Limitation.** If the Covered Home is identified as a multi-residential building on your Plan Summary, shared systems, items, and appliances are not covered unless: (i) all units in the multi-residential property are identified as part of the Covered Home as stated in the Plan Summary; or (ii) each unit is covered by its own home warranty plan agreement with us which provides the same coverage for the shared system, item, or appliance as this Plan Agreement.

D. **Inaccessible Location Limitation.** We will not cover the cost to access Covered Items in inaccessible locations, such as those that cannot be accessed safely or due to an obstruction.

E. **Non-Standard Equipment Limitation.** We will not cover the cost or otherwise provide for cranes, scaffolding, or non-industry-standard vehicles or equipment that is required to repair or replace a Covered Item or Covered Item part.

F. **Secondary Costs Limitation.** Other than the repair or replacement of the Covered Item, we are not responsible for, and will not pay or otherwise reimburse you for special, secondary, incidental, indirect, consequential,

exemplary, or other related costs or damages resulting from the Breakdown or Covered Breakdown of any Covered Item, including but not limited to food spoilage, loss of income, utility bills, additional living expenses, or personal and/or real property damage.

G. **Service Limitation.** We are not responsible for and will not pay or otherwise reimburse you for special, secondary, incidental, indirect, consequential, exemplary, or other related damages resulting from any delay or neglect, whether due to our or the Service Contractor's delay or neglect in providing, or failing to provide, repair or replacement of such Covered Item, including, but not limited to, food spoilage, loss of income, utility bills, additional living expenses, or personal and/or real property damage.

H. **Cosmetic Damage Exclusion.** We will not repair cosmetic defects or damage to Covered Items that does not also cause a Covered Breakdown.

I. **Primary Function Limitation.** We will not repair or replace any feature of a Covered Item that does not contribute to the Primary Function of the Covered Item.

J. **Improper Capacity Exclusion.** If the Breakdown of your Covered Item occurs because it is the wrong size for your Covered Home based on manufacturer and/or industry standards, the Breakdown is not covered.

K. **Misuse or Accidental Acts Exclusion.** Breakdowns that occur due to abuse, misuse, hacking, or vandalism, including, but not limited to, the removal of parts or missing parts from the Covered Item, and physical damage caused by people, pests, or pets, are not covered.

L. **Acts Beyond Our Control Exclusion.** Breakdowns that occur, delays in service, or the failure to provide service, that are caused by the following are not covered: environmental events, such as lightning, mud, earthquake, storms, wind, ice, fire, freezing, and flood; soil movement; soil settlement; water damage; war; terrorism; civil unrest; electrical failure or surge; excessive or inadequate water pressure; government restrictions or shutdowns; labor shortages, labor or factory stoppages, or strike; supply chain disruptions; public health emergencies including pandemics and epidemics; or other conditions beyond our reasonable control.

M. **Known Pre-existing Breakdown Exclusion.** Other than Mismatched HVAC Systems, Breakdowns that existed prior to the start date of this Plan Agreement, or in the case of a Covered Item a Breakdown that existed prior to the installation of the Covered Item in your Covered Home, that were either known by you or were reasonably detectable by you are not covered.

N. **Flues, Chimneys, Fireplaces, and Exhaust Line Exclusion.** Flues, venting, vents (including dryer vents), chimneys, fireplaces or exhaust lines that are connected to a Covered Item are not covered by this Plan Agreement, even if a Modification to such item(s) is required by Applicable Law.

O. **Special System Exclusion.** Radon mitigation systems; gas, smoke, or leak detection or monitoring systems; and fire sprinkler systems are not covered.

P. **Power and Fuel Source Exclusion.** The underlying sources of power generation (including electrical and alternative energy sources, such as solar power systems, and those components necessary to convert or otherwise utilize alternative energy (including solar power) in the Covered Home or fuel or associated fuel storage tanks for a Covered Item, or items that are designed to be powered by alternative energy sources, are not covered.

Q. **Other Insurance or Warranty Exclusion.** Covered Breakdowns that are otherwise covered by a manufacturer, distributor, builder, or any other third-party warranty or extended warranty or insurance are not covered.

R. **Manufacturer or Government Recall Exclusion.** Any Covered Item that has been determined to be defective by any government entity or for which a manufacturer or distributor has issued a warning, service bulletin, recall, or otherwise determined the Covered Item is defective is not covered until such defect has been remedied by the manufacturer or distributor.

S. **Hazardous Materials Exclusion.** Unless otherwise expressly stated in this Plan Agreement, any repair or replacement costs that involve, remediate, or



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G. Requesting a Second Opinion of a Breakdown Diagnosis. If you have been informed that your Service Request includes a Breakdown that is not a Covered Breakdown, you have the right to request a second opinion within seven (7) days from the date you were informed of the coverage decision. You will be required to pay an additional Service Fee at the time you request the second opinion. If an alternative Service Contractor is reasonably available, we will assign an alternative Service Contractor to provide the second opinion. In addition, we reserve the right to request a second opinion at our cost. Upon receipt of the second opinion, we will determine, in accordance with this Plan Agreement, whether a Covered Breakdown has occurred, and if so, whether to repair or replace the Covered Item. If you requested the second opinion and we determine that the second opinion is different from the original diagnosis and the Breakdown is a Covered Breakdown, we will refund you the amount of the additional Service Fee.

H. Circumstances Where you may Receive a Cash-in-Lieu Payment Instead of a Repair or Replacement. If the Covered Item has experienced a Covered Breakdown, you may be offered Cash-in-Lieu Payment. If you agree to our offer, your Cash-in-Lieu Payment will be the amount we would have paid to repair or replace your Covered Item (including but not limited to any special discount pricing or rates, shipping, restocking charges or other fees or costs to complete your request), which means the amount will likely be less than the retail cost in your area to repair or replace the Covered Item.

In addition, there are certain situations where we may require you to accept a Cash-in-Lieu Payment instead of proceeding with a repair or replacement. These situations include, but are not limited to the following:

- i. Applicable Law prevents us from performing a repair or replacement of the Covered Item;
- ii. A breach of the "Be Respectful" section of this Plan Agreement;
- iii. Repair or replacement of the Covered Item is not reasonably feasible; or
- iv. The repair or replacement will exceed an applicable Covered Item Limit.

In these circumstances, your Cash-in-Lieu Payment will be the amount equal to our reasonable estimate of retail cost in your area to repair or replace the Covered Item, subject to any applicable limit identified in this Plan Agreement.

Your Cash-in-Lieu Payment cannot be more than the applicable Covered Item Limit stated in this Plan Agreement. We will pay you no later than 30 days after we provide you with notice that you will receive Cash-in-Lieu Payment. We may issue, and you agree to accept, the Cash-in-Lieu Payment via electronic funds transfer, e-cards or check, at our discretion. **We will not provide future coverage for the impacted Covered Item until you give us documentation reasonably acceptable to us proving that you had the Covered Item appropriately repaired or replaced.**

10. Can you find your own Service Contractor?

We will provide you with a Service Contractor. In certain limited situations as determined by us, we may ask or permit you to find and contact your own service contractor to diagnose the Breakdown of the Covered Item at our cost. If we authorize you in advance to find your own Service Contractor, the service contractor will be required to contact us directly at the contact information we provide you with at the time we authorize you to use your own service contractor after diagnosing the Breakdown and prior to proceeding with any repair or replacement of the Covered Item. We will review the diagnosis, and if a Covered Breakdown has occurred, authorize the work and cost necessary for the repair or replacement of the Covered Item in accordance with this Plan Agreement. We may request that your service contractor invoice us directly for the cost of diagnosis and any authorized repair or replacement. If your service contractor will not invoice us directly, we will reimburse you the agreed upon price for the diagnosis and any authorized repair or replacement once you provide us with proof of payment. **Please note that the failure of either you or your service contractor to receive prior authorization from us for**

either (i) any authorized work necessary for the diagnosis and repair or replacement of the Covered Item, and (ii) the cost of such work, may result in no reimbursement provided to you. The Workmanship Guarantee identified in this Plan Agreement applies to any work authorized by us.

11. Are there additional benefits and maintenance services?

You may be eligible to receive or otherwise have access to additional services and benefits, including certain maintenance services, beyond those specified in this Plan Agreement that may be provided by third party organizations, us or our affiliates. In such cases, you may receive notification of the availability of one or more of these additional services and benefits and related communications via any of the communication methods identified in this Plan Agreement. Each of those services may be governed by their own separate terms and conditions that you may be required to agree to prior to the provision of such service or benefit. Unless otherwise specified in those additional terms, the terms and conditions of this Plan Agreement apply to those services. You may be charged an additional fee for such services if you elect to use such services.

12. What are your obligations under this Plan Agreement?

A. Be Current on all Plan Fees. In order to receive the benefits of your Plan and this Plan Agreement, you must be current on all required payments - including the Plan Price and any Service Fees that you may have incurred. We will not provide service under this Plan Agreement if any required payments are past due.

B. Provide Required Information. We may ask you for additional information in order to complete your Service Request. This may include confirmation of your information listed in the Plan Summary, a copy of your home inspection report, proof of repair, receipts or invoices, or any other information we reasonably determine will assist us in evaluating eligibility and coverage under this Plan Agreement. It is important that you provide us with this information as soon as possible, and in any event no later than thirty (30) days from the date we request such information. Failure to provide the information we request within thirty (30) days of the date of the request will result in the cancellation of your Service Request, and if your Plan Agreement subsequently expires, you will not be entitled to any coverage under the Plan Agreement for that Service Request.

C. Timely Submission of Your Service Request. The coverage provided by this Plan Agreement does not begin until the Plan Agreement Effective Date, subject to any applicable coverage waiting period. You must file your Service Request during the Plan Agreement Term. Any Service Request filed after the Plan Agreement Term will be denied, regardless of when the Covered Breakdown occurred.

D. Update Your Contact Information. Keep your contact information, and that of any Authorized Representatives, current and up to date. You can update your information by visiting myaccount.ahs.com or calling us at 1-800-776-4663.

E. Notify us if you no longer own the Covered Home. If you no longer own the Covered Home during the Plan Agreement Term and wish to cancel the Plan Agreement, you must notify us within thirty (30) days from the date you no longer own the Covered Home. Failure to notify us within this thirty (30) day time period will result in a maximum refund of 1/12 of the annual Plan Price, as measured from the date you no longer owned the Covered Home.

F. Be Respectful. Treat our representatives and Service Contractors with respect. We know that requesting service can be stressful, but if you or anyone interacting with us on your behalf are verbally abusive or threaten the safety, well-being, or property of us, our employees or other representatives, or our Service Contractors, or if you fail to provide a reasonably safe environment for services to be performed, we may cancel your Plan in accordance with the terms of this Plan Agreement and Applicable Law.



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13. What payments are required of you?

A. Plan Price. Your Plan Price is due and payable as stated in your Plan Summary, unless we have otherwise provided you with a different price in writing. If you have elected to pay your Plan Price on a monthly basis, the Plan Price is the annual Plan Price amount divided by twelve (12). After the Initial Plan Agreement Term, the Plan Price is paid on a monthly basis unless we agree otherwise.

B. Service Fee. The non-refundable Service Fee is due and payable when you submit a Service Request. Please note, the Service Fee will not be refunded even if the Breakdown at issue is not covered by this Plan Agreement.

C. Additional Costs. There may be additional costs, including shipping, restocking, and cancellation administrative fees if stated in this Plan Agreement.

D. Payment. You authorize us, or third-party payment processors that we may use, to charge, collect, and process payments for fees you incur pursuant to this Plan Agreement to the credit card, debit card, or other approved method of payment you provided to us. Depending on the Plan Price payment method you selected, you may be charged a one-time fee or on a monthly recurring basis. To the extent you receive a replacement credit card, debit card, or other approved method of payment from your financial institution, you authorize us to receive and use such updated replacement information provided by your financial institution. Cancelling or otherwise changing your payment information without informing us will not cancel this Plan Agreement. In addition, depending on the type of payment method you use, there may be additional terms and conditions associated with that particular payment method that you will need to agree to prior to your use of that payment method. If you select monthly payment of your Plan Price, please note that you will be required to keep a payment method on file with us at all times during the Plan Agreement Term.

14. How long is your Plan Agreement in effect?

A. Initial Plan Agreement Term. The initial term of this Plan Agreement begins on the Initial Plan Agreement Effective Date indicated on the Plan Summary and continues for the time period stated in the Plan Summary subject to the cancellation and non-renewal provisions of this Plan Agreement. Please note that coverage under your Plan does not begin until the expiration of the Initial Coverage Waiting Period stated in your Plan Summary, which may be different than your Initial Plan Agreement Effective Date.

B. Renewal. This Plan Agreement will automatically renew on the Plan Agreement Renewal Date for the Plan Agreement Renewal Term stated in your Plan Summary provided that we have received payment of your Plan Price, unless we or you elect to non-renew your Plan Agreement in accordance with the provisions of this Plan Agreement. At least thirty (30) days in advance of the Plan Agreement Renewal Date, or as otherwise required by Applicable Law, we will provide you notice of any change to the Plan Price of your Plan Agreement, and any material changes to the terms and conditions of your Plan Agreement, if any. If you do not contact us at least three (3) days prior to the Plan Agreement Renewal Date and cancel your Plan your Plan Agreement will automatically renew and we will charge the payment method we have on file for you.

C. Non-Renewal. We reserve the right, in our sole discretion, not to renew your Plan Agreement. If we elect to non-renew your Plan Agreement, we will provide you with notice of such non-renewal at least thirty (30) days in advance of the date this Plan Agreement will terminate, or as otherwise required by Applicable Law. You may also provide us of your non-renewal of your Plan Agreement at least three (3) days in advance of the Plan Agreement Renewal Date.

15. How can your Plan be cancelled?

A. Your right to cancel. You may cancel your Plan Agreement at any time for any reason by contacting us via telephone. If you cancel this Plan Agreement, such cancellation will be effective immediately.

B. Provider's right to cancel. We may cancel your Plan Agreement or discontinue providing coverage under your Plan for the following reasons:

1. Your failure to pay the required Plan Price when due;
2. Breach of this Plan Agreement by you or your Authorized Representative, including but not limited to nonpayment of your Service Fee when due. If we provide you with an opportunity to cure the breach, any cure must be to our reasonable satisfaction; or
3. Upon discovering fraud or misrepresentation of material facts to us by you or your Authorized Representative related to your Plan Agreement.

C. Notice of Cancellation. We may cancel this Plan Agreement immediately and without prior notice to you due to: (i) nonpayment of the Plan Price, (ii) a material misrepresentation made by you to us, or (iii) a substantial breach of your duties under this Plan Agreement. If we cancel this Plan Agreement for any other reason, we will provide you with notice of cancellation and the reason for such cancellation at least fifteen (15) days prior to the stated effective date of the cancellation. We will send notice of such cancellation to the electronic mail address we have on file for you. If we do not have an electronic mail address for you, we will mail the notice to the physical address we have on file for you.

D. Refunds or Amounts Owed due to Cancellation of this Plan Agreement.

1. Cancellation by you or us within the first thirty (30) days of the Initial Plan Agreement Term.

- a. If you have not filed a Service Request: we will provide you with a full refund of any portion of the Plan Price you have paid. We will not charge you an administrative fee.
- b. If you have filed a Service Request: we will provide you with a refund of any portion of the Plan Price you have paid, less the cost of any Service Request we have provided. In addition, if the cost of your Service Request is more than the portion of the Plan Price you have paid as of the date of cancellation, you will be required to pay us the lesser amount of (i) the cost of your Service Request minus the portion of the Plan Price you have paid, or (ii) your annual Plan Price amount minus the Plan Price you have paid. We will not charge you an administrative fee.
- c. An additional 10% per month will be added to any outstanding refund amount that is not provided to you within forty-five (45) days after your Plan Agreement is cancelled.

2. Cancellation by you or us after the first thirty (30) days and during the Initial Plan Agreement Term. We will provide you with a pro rata refund of the unearned Plan Price you have paid, less the cost of any Service Request we have provided plus an applicable administrative fee. If the cost of your Service Request is more than the portion of the Plan Price you have paid as of the date of cancellation, you will be required to pay us the lesser amount of (i) the cost of your Service Request minus the portion of the Plan Price you have paid, or (ii) your annual Plan Price amount minus the Plan Price you have paid. The administrative fee is the lesser of (i) your monthly Plan Price, or (ii) such amount as permitted by Applicable Law.

3. Cancellation by you or us during any Plan Agreement Renewal Term. We will provide you with a pro rata refund of the unearned Plan Price you have paid, less the cost of any covered Service Request.

16. What do you do if things do not go as expected?

A. Contact Us. We believe you deserve a fair and courteous service experience. If you believe that our service did not meet your expectations, please contact us at 1-800-776-4663. We will work with you to resolve any issue that you may have pursuant to this Plan Agreement. If you have been unable to contact or obtain satisfaction from the Provider, or if you have questions concerning the regulation of service contract providers and administrators, you may contact the Texas Department of Licensing and Regulation at P.O. Box 12157, Austin, TX 78701, or by calling (800) 803-9202.



