

Effective 2/1/2012

MCI PhoneGuard™ Extended Service Plan Terms and Conditions

This is a legal contract. By subscribing to the Plan, you understand that it is such a contract and acknowledge that you have had the opportunity to read the terms and conditions set forth herein. These terms and conditions together with your sales receipt constitute the entire agreement.

- Plan (Obligor):** The company obligated by this Contract under the Program (the "Obligor") is **Asurion Warranty Services, Inc.** if purchased in AK, AL, AZ, AR, CA, CO, CT, DE, DC, GA, HI, ID, IL, IN, IA, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, NE, NV, NH, NJ, NM, NY, ND, OH, OK, OR, PA, PR, RI, SC, SD, TN, TX, UT, VA, VT, WA, WI, WV, WY; whose address is 648 Grassmere Park, Suite 300, Nashville, TN 37211 or 1-866-922-8722, or **Asurion Florida Warranty Services, Inc.**, if purchased in Florida; whose address is 648 Grassmere Park, Suite 300, Nashville, TN 37211 or 1-866-922-8722.
- Definitions:** Throughout these terms and conditions, the words, "we", "us", and "our" refer to the Obligor. The words, "you" and "your" refer to the Plan subscriber. The word "product" refers to the qualifying products indicated below. The word "household" refers to a group of one or more persons related to the Plan subscriber by direct lineal descent (i.e., grandparent, parent, child, siblings, aunts, uncles, etc.), adoption, marriage, foster child/parent relationship or domestic partnership, who reside with the Plan subscriber in a common residential unit. The words, "Administrator" refers to (a) National Electronics Warranty, LLC in all states and DC except in AL, AZ and FL; (b) N.E.W. Warranty Services, Inc. in AL and AZ; (c) National Electronics Warranty Corporation of Florida (a service warranty association) in FL, (National Electronics Warranty, LLC, N.E.W. Warranty Services, Inc. and National Electronics Warranty Corporation of Florida (collectively referred to herein as NEW). The administrator can be contacted at: P.O. Box 1340, Sterling, Virginia, 20167.
- Term:** The Plan will become effective and billing will commence upon your subscription to the Plan. As specified in Section 4, there is a 30 day waiting period before coverage commences.
- Coverage:** This Plan covers single line phones, 2-line phones, and Caller ID display units located in your primary residence. **Coverage under the Plan will commence 31 days after your subscription to the Plan. No service will be provided during the initial 30 days of the Plan. If the Plan is cancelled, coverage will continue for 30 days after the cancellation date.**
- Registration:** Registration of this Plan is not required.
- Plan Limits of Liability (Aggregate Claim Limit):** Under the Plan, you are limited to replacements equal to \$400 in total retail value for claims processed in any twelve-month period, commencing on the date of your first claim. The retail value of any product replacement hereunder shall be equal to the retail value of the replacement product, as determined by us.
- Your Responsibilities:** This Plan is for your use only and may not be assigned. Products owned by anyone other than you will not be covered by the Plan. Any abuse of the Plan by you, including but not limited to seeking replacement of a product not belonging to you, may result in termination of the Plan upon notice.
- Payment:** You agree to pay monthly charges for this Plan as such charges may appear on your monthly bill from MCI. The monthly rate for the Plan was provided to you at the time you subscribed to the Plan. You may contact your MCI representative for the current applicable rate for the Plan. Non-payment may result in cancellation of the Plan.
- If Your Product Needs Service:** In the event a product fails to operate as a result of normal use and/or power surges, you may, 30 days after subscription to this Plan, file a claim by telephone at 1-866-922-8722, 24 hours a day, 7 days a week, excluding national holidays. A replacement product will be shipped directly to your billing address along with a return kit and return postage for the defective product. If you fail to return the defective product you may be billed for the replacement product. The product will be replaced with a product comparable in kind and quality subject to the provisions cited herein. We make no representation or warranty that any replacement product will be identical or substantially identical to the product submitted for replacement. Replacement will be with a new or refurbished product, at our sole discretion. Replaced products are warranted by us for 90 days and will be registered automatically as one of the products to be covered under this Plan. During such 90-day period, any replacement of such products will not be charged against your aggregate claim limit described above. We reserve the right to receive the benefit of any full or partial manufacturer's warranty or other ancillary coverage remaining on any product covered under this Plan.
- Availability of Services:** While we try to complete service as quickly as possible, we are not responsible for delays caused by factors beyond our control, including but not limited to, manufacturer's delays, shipment to a service facility or Acts of God.
- Insurance Securing this Plan:** This Contract is not an insurance policy. This Contract is secured by an insurance policy provided by Liberty Mutual Insurance Company, in the following jurisdictions only: AL, AR, CA, CT, FL, GA, HI, IL, KY, MN, MO, MT, NC, NH, NV, OH, OK, OR, SC, TX, VA, VT, WA, WI, WY and all other states required by law. In NY, this Contract is secured by an insurance policy provided by Liberty Insurance Underwriters Inc. If You reside in one of these listed states and, within sixty (60) days We have not paid a covered claim, provided You with a refund owed or You are otherwise dissatisfied, You may make a claim directly to the insurance company at 175 Berkeley Street, Boston, Massachusetts, 02116 or 1-617-357-9500.

12. **Exclusions – What Is Not Covered:**
- a. **Problems caused by abuse, misuse, improper installation, water damage or customer negligence;**
 - b. **Pre-existing conditions at the time of your subscription to the Plan;**
 - c. **Acts of God, including but not limited to floods, fires, earthquakes and the like;**
 - d. **Decorative telephone sets (e.g., football phones); facsimile machines; leased equipment; cellular phones, pagers, ancillary equipment;**
 - e. **Telephone accessories including, but not limited to, headsets, cords, and the like;**
 - f. **Special needs accessories including, but not limited to, handset boosters, visual ring indicators, and the like;**
 - g. **Routine maintenance and consumable items including, but not limited to, batteries;**
 - h. **Rotary or hardwired telephones and VoIP-enabled phones;**
 - i. **Telephones with 3 or more lines or PBX/Key systems;**
 - j. **Answering machines, telephones with integrated answering machines, and other non-telephone equipment (other than Caller ID display units);**
 - k. **Computer telephony equipment such as monitors, CPUs, modems, microphones, etc.;**
 - l. **Problems associated with dial-up or DSL internet connections;**
 - m. **Theft or loss; or**
 - n. **Failures, or parts and/or labor costs incurred as a result of a manufacturer's recall.**
13. **Renewal:** This Plan automatically renews from month to month until cancelled.
14. **Transfer:** This Plan is not transferable to another party.
15. **Deductible:** No deductibles apply to this Plan.
16. **Cancellation:** This Plan is provided on a month-to-month basis and can be canceled by you at any time for any reason by notifying MCI's local business office (or other number that MCI may designate for such purpose). We may elect not to renew the Plan upon 30 days written notice to you. Upon any termination or cancellation by you or us, you will have coverage provided, at no cost from the date of termination or cancellation plus an additional thirty (30) days. All claims under this Plan must be reported to us within thirty (30) days after cancellation of the Plan.
16. **Changes to the Plan:** MCI MAY CHANGE THE MONTHLY CHARGE FOR THE PLAN, THE ADMINISTRATION OF THE PLAN, OR THESE TERMS AND CONDITIONS FROM TIME TO TIME UPON THIRTY (30) DAYS WRITTEN NOTICE TO YOU. SUCH NOTICE MAY BE PROVIDED AS A MESSAGE PRINTED ON THE MCI BILL, IN A SEPARATE MAILING OR EMAIL, OR BY ANY OTHER REASONABLE METHOD AT MCI'S DISCRETION. IF YOU DO NOT AGREE TO THE MODIFIED CHARGES OR TERMS OF THE AGREEMENT, OR THE MODIFIED ADMINISTRATION OF THE PLAN, YOU MAY CANCEL THE PLAN BY NOTICE TO MCI AT ANY TIME IN ACCORDANCE WITH THESE TERMS AND CONDITIONS. THE PAYMENT OF APPLICABLE CHARGES BY YOU, OR A REQUEST FOR SERVICE UNDER THE PLANS, AFTER RECEIVING SUCH NOTICE OF A CHANGE IN THE CHARGES OR OTHER TERMS AND CONDITIONS WILL BE DEEMED TO BE ASSENT BY YOU TO THE CHANGE (S) IN THE CHARGES, TERMS OR CONDITIONS.
17. **Limitation of Liability:** Our liability for any negligence, error, mistake, or omission regarding the Plan or replacement of product(s) under the Plan is limited to a correction of any such error, mistake or omission. If such a correction is not possible, our liability will be limited to charges for the applicable month paid to MCI pursuant to the Plan. Any refund must be requested by you. IN NO EVENT WILL THE PLAN OBLIGOR, MCI OR THE ADMINISTRATOR BE LIABLE FOR INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO PERSONAL INJURIES OR LOSS OF INCOME ARISING OUT OF OR CONNECTED TO THE PROVISION OF THE PLAN REPLACEMENT OF PRODUCTS UNDER THE PLAN AND CAUSED BY NEGLIGENCE, ERROR, MISTAKE OR OMISSION ON THE PART OF THE PLAN OBLIGOR, ADMINISTRATOR OR MCI OR THEIR EMPLOYEES, AGENTS OR SUBCONTRACTORS.
18. **Force Majeure:** We shall not be held responsible for any delay or failure in performance of any part of this Plan to the extent that such delay or failure is caused by fire, flood, explosion, war, strike, embargo, government requirement, regulatory agency requirement civil or military authority, act of God, or other similar causes beyond our control. If any such condition occurs, we may elect to terminate this Plan immediately without notice.
19. **Non-waiver:** Our failure in any circumstance to require strict adherence to any term or condition set forth herein shall not be deemed a waiver by us of any such term or condition under any other circumstance or of any other term or condition set forth herein.

If You Reside In One Of The Following States, These Provisions Apply To You:

ALABAMA RESIDENTS: If you cancel this Plan within thirty (30) days of the receipt of this Plan, you shall receive a full refund of the Plan purchase price.

ARIZONA RESIDENTS: N.E.W. Warranty Services, Inc.. located at P.O. Box 1340, Sterling VA 20167 is the administrator of this Plan. If your written notice of cancellation is received prior to the expiration date NEW shall refund the remaining pro-rata price, regardless of prior services rendered under the Plan. The pre-existing condition exclusion does not apply to conditions occurring prior to the sale of the consumer product by us, our assignees, subcontractors and/or representatives.

CALIFORNIA RESIDENTS: You may cancel this Plan for any reason at any time. To cancel it, submit your request in writing to NEW at P.O. Box 1818, Sterling, VA 20166. For all products other than home appliances and home electronic products, the Cancellation provision is amended as follows: If this Plan is cancelled: (a) within sixty (60) days of the receipt of this Plan, you shall receive a full refund of the price paid for the Plan provided no service has been performed, or (b) after sixty (60) days, you will receive a pro rata refund, less the cost of any service received.

CONNECTICUT RESIDENTS: The expiration date of this Plan shall automatically be extended by the duration that the product is in our custody while being repaired. In the event of a dispute with the administrator, you may contact The State of Connecticut, Insurance Department, PO Box 816, Hartford, CT 06142-0816, Attn: Consumer Affairs. The written complaint must contain a description of the dispute, the purchase price of the product, the cost of repair of the product and a copy of the Plan.

FLORIDA RESIDENTS: The Plan shall be cancelled by us for fraud or material misrepresentation, including but not limited to commercial or rental use. Unauthorized repair or replacement of covered equipment shall result in the cancellation of the Plan by us. In the event of cancellation by us, written notice of cancellation shall be mailed to you not less than sixty (60) days before cancellation is effective. This Plan can be cancelled by you at any time for any reason by mailing or delivering to us notice of cancellation. If the Plan is cancelled: (a) within thirty (30) days of the receipt of the Plan, you shall receive a full refund of the price paid for the Plan provided no service has been performed, or (b) after thirty (30) days, you will receive a refund based on 100% of unearned pro rata premium less any claims that have been paid or less the cost of repairs made by us. If we cancel the Plan, the return premium is based upon 100% of the unearned pro rata premium.

GEORGIA RESIDENTS: This Plan shall be non-cancelable by us except for fraud, material misrepresentation, or failure to pay consideration due therefore. The cancellation shall be in writing and shall conform to the requirements of Code 33-24-44. You may cancel at any time upon demand and surrender of the Plan and we shall refund the excess of the consideration paid for the Plan above the customary short rate for the expired term of the Plan. This Plan excludes coverage for incidental and consequential damages and pre-existing conditions only to the extent such damages or conditions are known to you or reasonably should have been known to you.

ILLINOIS RESIDENTS: You may cancel this Plan: a) within thirty (30) days after its purchase if no service has been provided and a full refund of the Plan price, less a cancellation fee not to exceed the lesser of ten percent (10%) of the Plan price or fifty dollars (\$50.00); or b) at any other time and a pro rata refund of the Plan price for the unexpired term of the Plan, based on the number of elapsed months less the value of any service received, and the cancellation fee not to exceed the lesser of ten percent (10%) of the Plan price or fifty dollars (\$50.00). Normal wear and tear is covered under this Plan.

NEVADA RESIDENTS: If the Plan is cancelled, no deduction shall be made from the refund for the cost of any service received. This Plan may be cancelled due to unauthorized repairs which result in a material change in the nature or extent of the risk, occurring after the first effective date of the current policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed. This Plan will be considered void and we will refund you the purchase price of the Plan if you have not made a claim under this Plan and you have returned the Plan to us a) within 20 days after the date we have mailed the Plan to you, b) within 10 days after you have received the Plan if the Plan was furnished to you at the time the Plan was purchased, or c) within a longer time period if specified in the Plan. If we fail to pay the cancellation refund within forty-five (45) days of your written request, we will pay you a penalty of ten percent (10%) of the Plan purchase price for each thirty (30) day period or portion thereof that the refund and any accrued penalties remain unpaid. If we cancel this Plan, no cancellation fee will be imposed. If this Contract has been in force for a period of seventy (70) days, We may not cancel before the expiration of the monthly Contract term, unless: **(1)** You fail to pay any amount due; **(2)** You are convicted of a crime which results in an increase in the service required under the Contract; **(3)** You engage in fraud or material misrepresentation in obtaining this Contract; **(4)** You commit any act, omission, or violation of any terms of this Contract after the Date Issued which substantially and materially increases the service required under this Contract; or **(5)** any material change in the nature or extent of the required service or repair occurs after the Date Issued and causes the required service or repair to be substantially and materially increased beyond that contemplated at the time You purchased this Contract. If this Plan is canceled by Us, no cancellation may become effective until at least 15 days after the notice of cancellation is mailed to you. **Coverage under the Plan will commence 31 days after your subscription to the Plan.**

NEW HAMPSHIRE RESIDENTS: In the event you do not receive satisfaction under this Plan, you may contact the New Hampshire Insurance Department, 21 South Fruit St, Suite 14, Concord, NH 03301 or (800) 852-3416.

NEW MEXICO RESIDENTS: If this Plan has been in force for a period of seventy (70) days, we may not cancel before the expiration of the Plan term or one (1) year, whichever occurs first, unless: (1) you fail to pay any amount due; (2) you are convicted of a crime which results in an increase in the service required under the Plan; (3) you engage in fraud or material misrepresentation in obtaining this Plan; (4) you commit any act, omission, or violation of any terms of this Plan after the effective date of this Plan which substantially and materially increase the service required under this Plan; or (5) any material change in the nature or extent of the required service or repair occurs after the effective date of this Plan and causes the required service or repair to be substantially and materially increased beyond that contemplated at the time you purchased this Plan.

NORTH CAROLINA RESIDENTS: The purchase of this Plan is not required either to purchase or to obtain financing for a home appliance.

OKLAHOMA RESIDENTS: The "Cancellation" section is deleted and replaced by the following: You may cancel this contract at any time by surrendering it or providing written notice to the retailer at the address where You purchased this Contract. You may also cancel this Contract by surrendering it or providing written notice to N.E.W. at the address listed below. You may cancel this Contract for any reason. In the event You cancel this Contract within 30 days of receipt of the Contract, You shall receive a full refund of any payments made by You under this Contract. In the event You cancel this Contract after 30 days of receipt of this Contract, You shall receive a refund based upon 100% of the unearned pro-rata premium less an administrative fee not to exceed 10% of the unearned pro-rata premium or \$25, whichever is less, and less the cost of claims paid. We or N.E.W. may not cancel this Contract except for fraud, material misrepresentation or non-payment by You; or if required to do so by any regulatory authorization. If we or N.E.W. cancel this Contract, You shall receive a refund of 100% of the unearned pro-rata premium. We or N.E.W. may not cancel this Contract without providing You with written notice at least thirty days prior to the effective date of cancellation. Such notice shall include the effective date of cancellation and the reason for cancellation. The following sentence is added to this contract: Coverage afforded under this contract is not guaranteed by the Oklahoma Insurance Guaranty Association. Oklahoma service warranty statutes do not apply to commercial use references in this Contract.

SOUTH CAROLINA RESIDENTS: You are entitled to a "Free Look" period for this Plan. If you cancel this Plan within 30 days of receipt of this Plan, you shall receive a full refund of the Plan purchase price. If we fail to pay the cancellation refund within forty-five (45) days of your written request, we will pay you a penalty of ten percent (10%) of the Plan purchase price for each thirty (30) day period or portion thereof that the refund and any accrued penalties remain unpaid. To prevent any further damage, please refer to the owner's manual. In the event the service Plan provider does not provide covered service within (60) days of proof of loss by the Plan holder, the Plan holder is entitled to apply directly to the Insurance Company. If the Insurance Company does not resolve such matters within sixty (60) days of proof of loss, they may contact the SC Department of Insurance, P.O. Box 100105, Columbia, SC 29202-3105, (800) 768-3467.

TEXAS RESIDENTS: If you purchased this Plan in Texas, unresolved complaints concerning a provider or questions concerning the registration of a service Plan provider may be addressed to the Texas Department of Licensing and Regulation, P.O. Box 12157, Austin, Texas 78711, telephone number (512) 463-6599 or (800) 803-9202. You may apply for reimbursement directly to the insurer if a refund or credit is not paid before the forty-sixth (46th) day after the date on which the Plan is returned to the provider. Texas License Number: 116

UTAH RESIDENTS: NOTICE. Coverage afforded under this Plan is not guaranteed by the Utah Property and Casualty Guarantee Association. This Plan may be cancelled due to unauthorized repair which results in a material change in the nature or extent of the risk, occurring after the first effective date of the current policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed. Failure to notify within the prescribed time will not invalidate the claim if you can show that notification was not reasonably possible. If we cancel this Plan due to fraud or material misrepresentation, you will be notified 30 days prior to the Plan cancellation. If we cancel this Plan due to non-payment, you will be notified 10 days prior to the plan cancellation.

WASHINGTON RESIDENTS: You may make a claim directly to the insurance company at any time.

WISCONSIN RESIDENTS: THIS PLAN IS SUBJECT TO LIMITED REGULATION BY THE WISCONSIN OFFICE OF THE COMMISSIONER OF INSURANCE. This Plan shall not be cancelled due to unauthorized repair of the covered equipment, unless we are prejudiced by your failure to obtain such authorization. We will not exclude unauthorized repair of the covered equipment, unless we are prejudiced by your failure to obtain such authorization. If you cancel this Plan, no deduction shall be made from the refund for the cost of any service received. We will not deny Your claim solely because You did not obtain pre-authorization if We are not prejudiced by Your failure to notify Us. If the Plan is cancelled: (a) within thirty (30) days of the receipt of this Plan, you shall receive a full refund of the price paid for the Plan or (b) after thirty (30) days of the receipt of this Plan, you will receive a pro rata refund.

WYOMING RESIDENTS: This Plan will be considered void and we will refund you the full purchase price of the Plan or credit your account if you have not made a claim under this Plan and you have returned the Plan to us a) within 20 days after the date we have mailed the Plan to you, b) within 10 days after you have received the Plan if the Plan was furnished to you at the time the Plan was purchased, or c) within a longer time period if specified in the Plan. A ten percent (10%) penalty per month shall be added to a refund that is not paid or credited within forty-five (45) days after return of the Plan to us. The right to void the Plan provided in this subsection applies only to the original Plan purchaser and is not transferable. If we cancel this Plan for reasons other than nonpayment, a material misrepresentation made by you to us or because of a substantial breach of duties by you relating to the product or its use, we will mail a written notice to you at least ten (10) days prior to cancellation. The notice of cancellation shall state the effective date of cancellation and the

reason for cancellation. In the event covered service is not provided by us within sixty (60) days of proof of loss by you, you are entitled to apply directly to the reimbursement insurance company.

Administered by:

NEW

P.O. Box 1340 • Sterling, Virginia 20167 • 1-866-922-8722

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