

FISCAL NOTE
Requested by Legislative Council
01/19/2015

Amendment to: HB 1384

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$4,000		\$1,375
Expenditures						
Appropriations						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB 1384 establishes a new limited line insurance agent license called portable electronics. The licensees must pay \$100 to apply and \$25 every two years (for individuals) to renew. There are no new appropriations needed.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Insurance agents wishing to sell portable electronics must pay \$100 to apply for the license and \$25 every two years to renew the license. Business entities wishing to be licensed must pay \$100 to apply. There is no renewal.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The 2015-17 revenue is based on an expectation of 10 new individual (\$100) applications and 20 new business entity applications (\$100) in the first year and 5 of each in the second year.

The 2017-19 revenue is based on 5 new applicants for each and 15 individual renewals at \$25 each. Business entities do not renew.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

N/A

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

N/A

Name: Rebecca L. Ternes

Agency: Insurance Department

Telephone: 328-2440

Date Prepared: 01/22/2015

FISCAL NOTE
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Name: Rebecca L. Ternes

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FISCAL NOTE
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Bill/Resolution No.: HB 1384

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N/A

Name: Rebecca L. Ternes

Agency: Insurance Department

Telephone: 328-2440

Date Prepared: 01/22/2015

2015 HOUSE INDUSTRY, BUSINESS AND LABOR


HB 1384

2015 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Peace Garden Room, State Capitol

HB 1384
2/3/2015
23154

- Subcommittee
 Conference Committee



Explanation or reason for introduction of bill/resolution:

Relating to portable electronic insurance.

Minutes:

Attachment #1 #2 #3 #4 #5

Chairman Keiser: Opens the hearing on HB 1384.

Representative Louser: Introduces the bill by reading HB 1384. It's not quite life insurance and many would agree that people's lives in our society are more and more reliant on communication devices. This bill provides for an entity level license to vendors offering insurance plans for such things as lost, theft, damaged or even internal malfunctions that aren't covered under manufacturer's warranty. This bill creates a licensing framework applicable at the point of sale for electronic communication devices in our state. It would provide for an individual limited lines producer license to sell insurance and authorize its agents which are typically the sales people on the floor to sell while providing disclosures and consumer protections. Short of such legislation it is conceivable but it is certainly not practical that each sales person would need a license to sell such insurance. Similar legislation has been in act in 48 other states. This bill would require training of the insurance product to the sales people under the retailer's license. The industries have worked together to draft acceptable compromise legislation. I would like to offer an example of how this applied in my own case; last spring my contract for my cell phone was up and I had a favorable unlimited minutes plan from the past and there was some intriguing new plans and there was some new phones on the market, so I went into the store and I was really debating switching to a new carrier potentially switching to a new plan and certainly getting a new phone. Though I have done a lot of research I was still torn when I got into the store, I started talking to the sales person about the positives and negatives about switching off of a plan that is really a "grandfathered" plan and towards the end of a transaction when I made the decision of what I wanted to purchase they asked if I wanted insurance and of course I said yes what does it cover. They said well theft and damage and I bought it. Months later having never used an insurance plan before I broke my phone, so having some questions looking back I would have asked those questions before I bought it. Such as what does it cover, what is the process, do I get a refurbished phone or a new phone, what's the deductible? Wouldn't I have a reasonable expectation as a customer that the person that is selling me the plan would be able to answer the

questions that I have. I even looked into putting a rider on my home owners insurance as an option. There are industry experts here to testify and I would be happy to answer questions the committee might have.

Levi Andrist~ Vogel Law Firm Represents Asurion: Introduces Paul Fassbender.

Paul Fassbender~Director of Government Relations for Asurion: (Attachment 1).

Representative Laning: Is this bill fashioned after a different state or where did the original language come from?

Fassbender: In 2008 when this was ramping up Asurion has a few clients that wanted certainty and we wanted certainty. We got together as an industry, even with our competitors, and said ok listen there is some fly by night organization that comes into state and signs up a bunch of premium dollars under whomever and then skips town who will people like you hammer? We worked with the departments on what I would call model language, but it has passed in some form or fashion in 48 states.

Representative Ruby: If this passes and a company that currently offers insurance under their own plans have to have their employees licensed under this bill?

Fassbender: It's an entity level license.

Representative Amerman: If the bill passed, what would you envision that the employee that sells me the phone and asks if I want protection, maybe I have questions and maybe I don't, what do you envision he is going to tell me if this bill passes what he isn't telling me now.

Fassbender: Everything is uniform. We would work with departments on notice and different licensing provisions, but the training materials are the same in this state through our company now and they would be in any other state.

Representative Amerman: If he sells me the coverage is he going to tell me that ok you protected if you drop it this way but if this happens it's not covered, will we hear details like that from him?

Fassbender: No sir, either the phone is broken or not. Last year our company handled 11 million claims and it's like I said before we don't send an investigator out to look at the phone. The claims process is about a 5 minute process and we cover all manner of claims, malfunctions, drop it and the glass breaks and when you get on the phone or on the internet it is a five minute process where you sit with a representative answer questions, within 24 hours we send you a new phone. They are a refurbished phone for contract and then there is a white envelope that comes with the phone, you drop your old phone in the package and send it back.

Representative Amerman: Is it basically a no fault, my fault, nobody's fault?

Fassbender: If you break your phone you break your phone.

Representative Becker: Are you the largest entity level provider in the state of North Dakota?

Fassbender: We are the largest in the country.

Representative Becker: Who would be your largest competitor?

Fassbender: A company called Assurant.

Representative Becker: Would they have to change anything with the way they are conducting business to comply with this if this bill passes?

Fassbender: No.

Representative Kasper: You indicated an unlimited license and training, what would your licensed be called and is there continuing education requirement?

Fassbender: There is one it's a portable electronics insurance. We do update training materials.

Chairman Keiser: These limited license issues, it is difficult to approve limited licenses why should we approve this one?

Fassbender: When we negotiated this bill with PIA, the most protection that ever talked about with agents is in this bill. It sets a dollar cap.

Chairman Keiser: review those if you would.

Fassbender: It's in section 1 under portable electronic device. It means person, self-contained, easily carried by hand, battery operated, electronic communication viewing, listening, recording, gaming, computing or global positioning devices including cellular or satellite phones, personal global positioning satellite units, portable audio listening, video viewing or recording devices, digital cameras, video camcorders, portable gaming systems, docking stations and accessories for any of these devices with the retail value of less than 5,000 dollars. That has in here what it does not include but also goes on to say what the people selling under the limited license can't do which is go and set up a store front. This is by far the most protection in 50 states. Nothing prevents and agent from selling this but the limitation around it prevents us from selling a car or whatever else on it.

Chairman Keiser: One of the provisions is that there cannot be a commission for the employees, can there be incentives?

Fassbender: Nobody gets the person in the door for portable electronic insurance, they are there to buy a phone and they pick the phone and minute plan and they pick everything else and then they are asked whether or not they want protection. We can't offer a commission on that for this bill currently in North Dakota law. We just don't do that.

Chairman Keiser: The insurance company cannot offer any incentive.

Fassbender: No.

Fassbender: (Attachment 2). Offers a proposed Amendment.

Jeff Uben General Counsel at the insurance department: What the amendment would do is move PEI (portable electronic insurance) under the producer chapter of the insurance code. The current bill draft has it as a new chapter and in discussions with the industry and drafting this bill we thought it was more appropriately fit under the producer chapter of the insurance code as that is where the other limited lines are found and that also makes it clear that the provisions of chapter 26.1-26 the insurance producer chapter do apply to PEI as well.

Joel Gilbertson~ Vogel Law Firm: Handing out a letter of support from Cheryl Riley from AT&T. (Attachment 3).

Representative Ruby: Does this bill require every provider to use a third party insurance or do they already do that?

Gilbertson: I can respond for AT&T and they use third party insurers, but I can't respond for the others.

Todd Kranda~ on behalf of Verizon: (Attachment 4).

Chairman Keiser: Is there anyone here to testify in support of HB 1384, opposition?

Evan Mandigo~State Executive of the Independent Insurance Agents of North Dakota: (Attachment 5).

Representative Ruby: If I rent a car and get insurance am I dealing directly with an agent?

Mandigo: There is an existing exemption for car rental agencies that was created before my time.

Representative Hanson: Are there individual agents selling cell phone in North Dakota?

Mandigo: Each individual agency in North Dakota has to make that decision for their own reason, I can't tell you if one or more or many are.

Chairman Keiser: How much would it cost and employee through a background check and to be licensed?

Mandigo: About 150 dollars.

Chairman Keiser: That's going to be expensive to do if we follow through with your suggestion.

Mandigo: Our point is that people who are licensed to sell insurance in North Dakota inquire some expenses in order to be granted a license. Our feeling is that people who engage at the point of sale need to be licensed.

Representative Beadle: Understanding that this bill creates a separate section and a carve out so to speak, do you see a problem that not passing this bill, that individuals sell insurance that are selling. Do you see a current gap that would otherwise need to be corrected and how would you recommend that?

Mandigo: We don't feel that there is a gap. We feel the existing body of producer licensing law meets the need.

Representative Beadle: When I buy a phone they ask if I want insurance, that individual is not a licensed insurance agent, but they are selling me an insurance product. So you are saying that we don't have a problem with people that are selling an insurance product without being a licensed insurance agent that they don't need to be licensed.

Mandigo: What current law requires anyone who is selling insurance to the general public to have license. If entities or individuals chose to be offside with the law that is a personal decision they make. As far as our association is concerned we always advocate our members comply with the law.

Representative Beadle: Let's assume that if we have Verizon go through the process of getting their individual licenses to sell insurance, would there be a one stop shop for all insurance products? So where we would have Wal-Mart insurance, Best Buy insurance where I'm going there for a cell phone but I could get all insurance products through them?

Mandigo: Wal-Mart already has their nose under the tent so to speak. Do I advocate a one stop shop for every brand of insurance? It would depend on the boundaries of the license that is created. If it is an unlimited property casualty licensures nothing to prevent a licensed agent with proper credentials and appropriate background checks from selling whatever lines of insurance they are number one licensed for and number two have a contract from ma recognized carrier in the state.

Chairman Keiser: Anyone else to testify in opposition to HB 1383? Anyone who is here to testify in the neutral position?

Rebecca Ternes~ Deputy Insurance Commissioner: This bill was before the Senate last session. It was heavily opposed by the PIA and the department as well there has been significant work as you have heard done on that version to get it to where we are today. Our concerns stemmed over time and still some of these concerns exist on the definition of products PIA worked that out with the careers and you have a much more limited definition of what we had two years ago. We had great concern about licensure and accountability, because as Evan is discussing with an insurance agent that is sitting before you that is licensed by our department there bound by many areas of our code and if they do something wrong we can do a variety of different things to try to write that wrong which we can't do for a 16 year old working at Best Buy or Verizon. It's not going to be the same kind

of thing. The training isn't the same, the licensure isn't there at all. That was a concern for us initially and some of those things we have taken care of. There could be a third party obviously not even related to Verizon itself being the responsible party here and that third party could be 10,000 miles away as long as they have a license with us. Then the disclosure of the cost of insurance was another concern that we had with a previous bill that I think we have taken care of to some sense of satisfaction with this bill. The licensure issue is a big deal as you all know we watch that very closely, we retain those requirements for CE. In this case the only person that has to have the licensure is this designated responsible possibly third party person who will likely never set foot in these retail operations or never meet these people that are actually selling you the policy. They will be licensed they will have to take the exams but the retail person will not. Obviously there is turn over and as you said it would be almost impossible to offer this product in retail locations and get them all licensed constantly would be millions of dollars by the time it was done. So we are trying to go along with products that people want and try to work out a system that can work and this is the bill that has significantly improved upon the one that was on the Senate side that didn't get out of the Senate two years ago. In this case those people will get licensed it is going to be a limited line there is no continuing education for it, the individuals will have to renew.

Representative Ruby: This isn't just permissive language, because obviously some of the vendors are already using it or some of the carriers. What this bill would do is force them to have it whether they are doing it on their own or through a third party. Am I reading that correctly?

Ternes: To sell insurance in the state of North Dakota right now every product except car rental people are required to be licensed. So if they are telling you its insurance they probably shouldn't be. Maybe it was a warranty. Again when you have retail employees doing this type of work you don't always get accurate descriptions or send tax to what exactly is happening. I think that will continue whether or not you pass legislation here. If someone would show us a set of facts that say a 16 year old at Best Buy is selling, soliciting or negotiating insurance we would have a big problem with that, so who we would hold responsible there is a trail to follow.

Representative Hanson: You heard that the 48 state that has passed a version of this bill. To your knowledge are those states that passed this pass a bill that is more in the senate bill that you previously had stronger opposition to or are they closer to this and how has it affected the insurance sales in those states?

Ternes: I don't know how it impacted the sales. There is a variety. The earlier ones are closer to the old version we looked at two years ago and later ones have been modified more. I do agree that this one is probably more protective of producers and more protective of consumers and that is just because we had to work something out to get to this.

Representative Kasper: I heard you say that you envision a supervisor from someplace out of state selling the policy on the phone. How many supervisors do you think are going

to be available to sell policies on the phone and does the bill require only one person to be licensed in North Dakota or does it require that every person on the phone be licensed?

Ternes: You would have to ask the industry how many actual license producers they expect to license. I did the fiscal note and I have to be honest I guessed. I don't know how many will actually come in and get a license. I don't expect it to be thousands. I expect that if Verizon does this in North Dakota they are going to probably use someone that is already licensed here as a non-resident license to be there designated responsible producer.

Representative Kasper: Are you suggesting that when the insurance sale is going to be discussed and someone is going to explain to that consumer what the policy does. Are you suggesting that it will not be that licensed that the person explain what this policy does is going to be some surrogate that may not be licensed in North Dakota and is the licensed guy going to close the deal?

Ternes: The industry could answer that question better. That retail person that is handing you your phone is not going to be licensed.

Representative Kasper: When I hear the word guessing from the department it gives me real concern. What I hear you telling me is you really don't know how this is going to work. You really don't know if this 16 year old in Fargo, ND is going to be going through the contract and going through the policy and talking to the consumer about what it does and what it doesn't do and if he's not licensed he's not eligible to do that but he is going to do it anyway. And are you saying at the end that he is going to turn is phone over to the guy at some other place who is licensed and say "yeah what whoever just told you is correct" and he didn't hear the conversation? If you have hundreds of stores in North Dakota that are going to be selling phones and insurance products how can you have on guy who would be verifying everything. It appears to be that there has to be a whole lot more to take care of the volume of business that is going to occur.

Ternes: To be fair I would ask those questions of the industry that does this. That is the way it has been laid out to us.

Representative Kasper: What are the penalties in the section where we are at for the violations of the statute?

Ternes: The penalties would only apply to the licensed producer and or the company if there was a violation of the chapter.

Representative Kasper: What are they?

Ternes: Up to 10,000 dollars and a class C felony.

Representative Kasper: Is it your department's contention that whoever ends up consummating the sale on the telephone must be licensed insurance agents in the state of North Dakota?

Ternes: The sale will not likely be consummated on the phone it would be at the retail location.

Representative Kasper: Which means the guy at the retail location was not licensed?

Ternes: Correct

Representative Nelson: Has the insurance department received consumer complaints over policies or what the contracts they have been having with these companies?

Ternes: There is no pattern of complaints about whatever it is that is happening now. Once in a great while we get a question is it a warranty or is it insurance. I would not say right now there is a large complaint pattern in this area. Again people should not be selling insurance without a license in the state of North Dakota.

Representative Kasper: Has the department reached an opinion as to whether there are people selling insurance without a license in the state of North Dakota?

Ternes: I have nothing to share in that area right now.

Chairman Keiser: This in reality is putting into statute as I see it a carve out. Similar to the auto rental at the airport, where I assume there is a licensed person somewhere but those people at the counters are able to ask me as a purchaser if I want insurance or not. I sign or not sign but that's what this is trying to do. Is it not a carve out?

Ternes: You are correct.

Mandigo: You had asked me the cost of being licensed in the state of North Dakota and my best estimate is 250 dollars to 300 dollars.

Chairman Keiser: What are the wishes of the committee if any?

Representative Beadle: I move to Adopt Amendment

Representative Hanson: I second

Motion to Adopt Amendment

Motion to Adopt Amendment made by Representative Beadle.

Seconded by Representative Hanson:

Voice Vote

Motion Carried.

2015 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee
Peace Garden Room, State Capitol

HB 1384
2/4/2015
23209

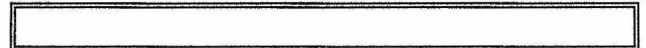
- Subcommittee
 Conference Committee



Explanation or reason for introduction of bill/resolution:

Relating to portable electronic insurance.

Minutes:



Chairman Keiser: Opens hearing on HB 1384. We already Adopted Amendment on a voice vote, what are the wishes of the committee?

Representative Beadle: I move a Do Pass

Representative Boschee: I second.

Chairman Keiser: Any further discussion? Seeing no further discussion we will take the roll on a Do Pass As Amended on HB 1384.

Motion to Do Pass As Amended by Representative Beadle.
Seconded by Representative Boschee.
Total Yes 9. No 5. Absent 1.
Motion for Do Pass As Amended carries.
Floor Assignment by Representative Laning.

February 4, 2015

*OK
2-4-15*

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1384

Page 1, line 1, replace "26.1-56" with "26.1-26.7"

Page 1, line 4, replace "26.1-56" with "26.1-26.7"

Page 1, line 6, replace "26.1-56-01" with "26.1-26.7-01"

Page 2, line 21, replace "26.1-56-02" with "26.1-26.7-02"

Page 3, line 12, replace "26.1-56-03" with "26.1-26.7-03"

Page 4, line 16, replace "26.1-56-04" with "26.1-26.7-04"

Page 5, line 10, replace "26.1-56-03" with "26.1-26.7-03"

Page 6, line 4, replace "26.1-56-05" with "26.1-26.7-05"

Page 8, line 1, replace "26.1-56-06" with "26.1-26.7-06"

Renumber accordingly

Date: Feb 3, 2015

Roll Call Vote: 1

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1384

House Industry, Business & Labor Committee

Subcommittee Conference Committee

Amendment LC# or Description: 15.0720.02001

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations

Other Actions: Reconsider _____

Motion Made By Rep Beadle Seconded By Rep Hanson

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser			Representative Lefor		
Vice Chairman Sukut			Representative Louser		
Representative Beadle			Representative Ruby		
Representative Becker			Representative Amerman		
Representative Devlin			Representative Boschee		
Representative Frantsvog			Representative Hanson		
Representative Kasper			Representative M Nelson		
Representative Laning					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

voice vote

Date: Feb 4, 2015

Roll Call Vote: 1

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1384

House Industry, Business & Labor Committee

Subcommittee Conference Committee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
Other Actions: Reconsider _____

Motion Made By Rep Beadle Seconded By Rep Boschee

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	x		Representative Lefor	x	
Vice Chairman Sukut	x		Representative Louser	x	
Representative Beadle	x		Representative Ruby		x
Representative Becker	x		Representative Amerman		x
Representative Devlin		x	Representative Boschee	x	
Representative Frantsvog	Ab		Representative Hanson	x	
Representative Kasper		x	Representative M Nelson		x
Representative Laning	x				

Total (Yes) 9 No 5

Absent 1

Floor Assignment Laning

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1384: Industry, Business and Labor Committee (Rep. Keiser, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO PASS (9 YEAS, 5 NAYS, 1 ABSENT AND NOT VOTING). HB 1384 was placed
on the Sixth order on the calendar.

Page 1, line 1, replace "26.1-56" with "26.1-26.7"

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Page 5, line 10, replace "26.1-56-03" with "26.1-26.7-03"

Page 6, line 4, replace "26.1-56-05" with "26.1-26.7-05"

Page 8, line 1, replace "26.1-56-06" with "26.1-26.7-06"

Renumber accordingly

2015 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1384

2015 SENATE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Roosevelt Park Room, State Capitol

HB 1384 Engrossed
3/11/2015
Job Number 24623

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to portable electronic insurance

Minutes:

Attachments

Chairman Klein: Opened the hearing.

Representative Louser: The product at the heart of this bill is the insurance program that protects the consumer's investment in a wireless communication device. This bill provides for an entity level license to vendors offering insurance plans for such things as loss, theft damage and even internal malfunctions that are not covered under a manufactures warranty. The bill creates a licensing framework applicable at the point of sale for electronic communication devices in North Dakota. It will provide for an individual limited lines produce license to sell insurance and to authorize it agents which are the sale people on the floor while providing disclosures and consumer protections. He gave a couple of examples on how this would apply. (:30-6:15)

Levi Andrist, Vogel Law Firm: In support of the bill and here to introduce Paul Fassbender.

Paul Fassbender, Director of Government Relations for Asurion: In support of the bill. He addressed the importance of portable electronic insurance and also that the bill would provide for significant consumer protection measures in the form of required disclosures. Written Testimony Attached (1). (6:50-9:01)

Senator Burckhard: Do you know industry wise or just with your company, what percentages of customer's have insurance claims?

Paul Fassbender: Our Company handled over eleven million claims last year.

Senator Campbell: A large Company like yours wouldn't typically initiate regulations like this. Why do you want this to happen?

Paul Fassbender: When the rise of smart phones took place somewhere around 2008, 2009, this insurance started to be sold, it was a regulatory vacuum in all fifty states for this product. A few might have had loss covering this. The fear we had was the small player coming in and signing people up taking their premium dollars and then skipping town with the money. We wanted to get out in front of this. A law like this has passed in 48 states. (10:22-11:23)

Chairman Klein: If you are not checking the box, if it asked more than one question, how does that work?

Paul Fassbender: We have resident area managers these managers go from store to store to make sure they are in compliance and make sure training is up to date. We have webinars and also have conference calls on any changes to give people in the stores proper training. What the store clerk is trained to ask is the yes or no question. If there is a question they have brochures at the counter for the consumer that answers the question. If there is a further question the consumer is put on the phone with a registered agent. (12:00-12:48)

Todd Kranda, Kelsch Law Firm in Mandan: Said he was appearing on behalf of Michael McDermott, Executive Director of State Governmental Affairs for Verizon. In support of this legislation and feel it is a great bill. (13:09-14:13)

Chairman Klein: In this case Verizon use Asurion or are there various other companies doing this type of work and is there a contractual arrangement?

Todd Kranda: I am not sure of the contractual arrangements that Verizon has in each of the states. I know that Verizon does indicate Asurion as one of the leaders in the industry that we contract with to provide this coverage for our customers.

Chairman Klein: I know there are other companies out there and we might hear from them today also. Is there anyone else in support of the bill? Is there any opposition? For the committees information there was a little glitch when we scheduled this and we will rehear parts of this next week on the 17th. He closed the hearing.

Attachment: Testimony of **Cheryl Riley, President of External Affairs for Northern Plains States and AT&T Services**, (2).

2015 SENATE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee
Roosevelt Park Room, State Capitol

HB 1384 Engrossed
3/17/2015
Job Number 24942

- Subcommittee
 Conference Committee

Committee Clerk Signature

Eva Liebelt

Explanation or reason for introduction of bill/resolution:

Relating to portable electronic insurance

Minutes:

Attachment

Chairman Klein: Opened the hearing. We heard this bill last week and we have an amendment. We will have Rae Ann Kelsch explain the amendment that is presented to us. Amendment Attached (1).

Rae Ann Kelsch, Assurant: She addressed the amendment and the purpose behind the amendment. She talked about T Mobile and handed out three attachments. The first one is their brochure that talks about the jump program (2); the second one is T Mobile with the Jump (3) and T Mobile with no protection (4). The first one handed out the consumer has financed their phone and they have gotten the Jump program and the second one the consumer has not financed their phone and has elects to purchase the extended service contract but is not enlisted in the Jump program and the third one is if you don't get protection at all. She explains the process. (1:15-7:00)

Senator Miller: Asked if other companies like Verizon would have a similar program.

Rae Ann Kelsch: Said she didn't know what they are offering.

Chairman Klein: Said he was trying to figure out if there was no insurance why do we need to put those words in. If there is no insurance why do I have lay it out?

Rae Ann Kelsch: I am sure the insurance department will come in with a number of concerns. The way the bill currently reads is that it says a standalone cost of the premium for the same or similar insurance. It is saying it has to be included on the bill but what they are saying is if you actually have the insurance. If you don't have the insurance and no insurance is being paid by the customer why should it have to be listed on the bill? That's what those words, "if any", do. (8:00-8:36)

Chairman Klein: We will here from the insurance department next.

Chrystal Bartuska, North Dakota Insurance Department: She is the Division Director over the private filing group. Her division reviews the various products out on the market and the various companies that have created products for the various cell phone carriers in the state to bundle insurance into their cell phone packages. Their concern with, "if any", is that it is somewhat ambiguous. Under current state law we have a requirement that a rate of premium is required to be disclosed to the consumer. In saying that T Mobile is paying for the insurance, we are struggling with that because we are having a disagreement because we see this as entirely insurance. She referenced the flyers that were handed out by Rae Ann Kelsch. She said they reference it as a service contract but they see it as true insurance. They have come to an impasse with them and consider this insurance. (9:10-12:08)

Chairman Klein: Back to the forty six states that are doing something, how are they doing it and still disclosing?

Chrystal Bartuska: I don't know if other states have the requirement that the rate of premium needs to be disclosed. That is specific to North Dakota.

Senator Murphy: Can you explain on line 23 on page 5, why doesn't the "if" cover that?

Chrystal Bartuska: The way the department got comfortable with that in working with Asurion they have referenced that, as a consumer you can buy just a cell phone package that includes unlimited minutes and texts and then you can buy your insurance separately. In that situation it would show your data plan and then it would break down your insurance so a consumer would know how much they would be paying for the insurance. The second part of that means as part of Verizon and AT&T and the way Asurion explained it to us at that time is, you can buy a bundle package where everything is bundled together. They didn't want to disclose the premium because it was bundled and it would be too difficult for them to have to do that. We told them the rate of premium needed to be disclosed. We got comfortable with them having a line item that would say the maximum charge that you would be charged for insurance is five dollars. We wanted it clearly defined in the law. (13:25-15:29)

Steve Becker, Professional Insurance Agents of North Dakota: Said that they opposed this bill last session and this session they were able to meet with the drafters of the bill and come up with some wording and narrow it down enough where our agents would not oppose this bill. He said with the amendment they would probably oppose the entire bill. (16:00-18:57)

Senator Murphy: It is very clear that you are talking about a standalone cost here.

Steve Becker: We are reading it differently. I don't know if, "if any" is talking about a standalone policy.

Chairman Klein: I think we will bring the insurance department back up.

Steve Becker: We are more opposed that they are being allowed to do things that we as licensed agents cannot do.

Evan Mandigo, State Executive for the ND Association of Independent Insurance Agents: He said there association opposes any amendments proposed. Written Testimony Attached (5). (23:22-27:12)

Chairman Klein: Asked Chrystal Bartuska to come back up and answer Senator Murphy's question.

Chrystal Bartuska: What that means is if it is part of that bundled package the AT&T and Verizon Wireless of the world still need to disclose to the consumer the portion of premium that they are paying in that bundled package because at the end of the day it is insurance. (27:40-29:04)

Senator Murphy: The obvious insurance has to be in the bundle somewhere?

Chrystal Bartuska: Yes.

Senator Poolman: I was under the impression that we had this bill to sell insurance related to cell phones and it failed last session. Right now they are not to be selling insurance with cell phones but the contracts that were passed out all talk about coverage purchase. I don't understand how this is not insurance.

Chrystal Bartuska: We just started getting into this part of it on Friday. We feel this is insurance.

Senator Poolman: I would think as a consumer when I read those words that I had purchased insurance.

Chairman Klein: Chrystal we worked out a bill that passed in the House and if we passed it here without any changes you would continue to work with any other companies to provide there comfort level in the future?

Chrystal Bartuska: That is correct.

Chairman Klein: Closed the hearing.

2015 SENATE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee
Roosevelt Park Room, State Capitol

HB 1384 Engrossed
3/17/2015
Job Number 24992

- Subcommittee
 Conference Committee

Committee Clerk Signature

Em Libelt

Explanation or reason for introduction of bill/resolution:

Relating to portable electronic insurance

Minutes:

Attachment

Chairman Klein: Said that Senator Murphy pointed out some grammatical errors on page twenty five. Do you see any issues we need to address?

Jeff Ubben, Attorney for the North Dakota Insurance Department: He said that on page 25 Senator Murphy raised some questions if the second "the" should be changed to "that". I do feel that change should be made.

Senator Sinner: Asked the question if the, "the" should be changed to "any" and strike the "is".

Jeff Ubben: Said they would be fine with that as well. Our purpose is saying that generally this insurance cost must be disclosed.

Chairman Klein: Where do you want to be at?

Jeff Ubben: We would remove the word "the" on line 25 and replace it with the word "any".

Chairman Klein: I think we can move that amendment.

Senator Murphy: Moved to adopt the amendment.

Senator Sinner: Seconded the motion.

Chairman Klein: Any other discussion. They continued to discuss how it should read. Alright committee we will let Jeff work this out. We are jumping back and forth here.

Senator Murphy: Withdrew his motion.

Senator Sinner: Withdrew his second.

Chairman Klein: I don't know if we are ready to vote on this. We will have to wait for the amendment.

Chairman Klein: We are back to 1384. After we left this morning Lukas diagrammed the sentence. Amendment Attached (1).

Senator Poolman: Moved to adopt the amendment.

Senator Burckhard: Seconded the motion.

Roll Call Vote: Yes-7 No-0 Absent-0

Senator Poolman: Moved a do pass as amended.

Senator Murphy: Seconded the motion.

Roll Call Vote: Yes-7 No-0 Absent-0

Senator Murphy will carry the bill.

15.0720.03002
Title.04000

Adopted by the Industry, Business and Labor
Committee

March 17, 2015

JD
3/17/15

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1384

Page 5, line 25, replace the second "the" with "any"

Page 5, line 26, remove "is"

Renumber accordingly

**2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
HB 1384 Engrossed**

Senate Industry, Business and Labor Committee

Subcommittee

Amendment LC# or Description: 15.0720.03002

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Senator Poolman Seconded By Senator Burckhard

Senators	Yes	No	Senators	Yes	No
Chairman Klein	x		Senator Murphy	x	
Vice Chairman Campbell	x		Senator Sinner	x	
Senator Burckhard	x				
Senator Miller	x				
Senator Poolman	x				

Total (Yes) 7 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

**2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
HB 1384 Engrossed**

Senate Industry, Business and Labor Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Senator Poolman Seconded By Senator Murphy

Senators	Yes	No	Senators	Yes	No
Chairman Klein	x		Senator Murphy	x	
Vice Chairman Campbell	x		Senator Sinner	x	
Senator Burckhard	x				
Senator Miller	x				
Senator Poolman	x				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Senator Murphy

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1384, as engrossed: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1384 was placed on the Sixth order on the calendar.

Page 5, line 25, replace the second "the" with "any"

Page 5, line 26, remove "is"

Renumber accordingly

2015 TESTIMONY

HB 1384

My name is Paul Fassbender, Director of Government Relations for Asurion. I am submitting this written testimony on behalf of my company in support of House Bill 1834. Asurion is the leading provider of handset protection programs in the country and has joined forces with leading wireless carriers throughout the world to bring this valuable product to consumers. The product that is at the heart of this bill is an insurance program that protects a consumer's investment in their wireless communications device by insuring it against loss, theft, damage, and internal malfunction of the device. The bill provides for an entity level license to vendors offering portable electronics insurance and provides for key consumer protections related to such coverage.

As wireless devices have become an integral part of our everyday lives their functionalities have expanded exponentially and with these developments the cost of these devices has also risen. Portable electronics insurance not only ensures that a consumer's investment in such a device is protected, but also ensures that a consumer has very little down time when a problem does occur by getting a pre-programmed phone or other portable electronics device in the consumer's hands often times the very next day after a claim has been made. Staying connected in today's world is crucial and Asurion's products ensure that its customers stay connected.

House Bill 1834 is a bill that creates a licensing framework applicable to the sale of portable electronics insurance in North Dakota. Currently, there is no statutory regulatory structure that exists for the sale of this product in North Dakota. The instant legislation would provide such a structure and provide for a limited lines producer license to sell this type of insurance product. The approach set forth in this important piece of legislation ensures a balanced regulatory structure that would avoid the need to license every individual on the floor of every retailer in North Dakota that offers this insurance to consumers while also providing crucial consumer protection and disclosures. As you can imagine, licensing of every sales floor representative of a large retailer would be impractical and overly burdensome on both the Department and businesses. There is no state in the country that currently requires such a licensing scenario.

House Bill 1834 creates a regulatory scheme governing the sale of this product by creating a licensing framework under which the retailer itself holds the license authorizing its employees to sell this insurance product on their behalf in order to avoid the retailer from having to license every individual salesperson on the floor of its stores. This model is consistent with the national trend with respect to the regulation of this product as it creates an efficient and fair licensing framework for the entities offering this product to consumers and gives regulators the authority they need to effectively oversee these activities.

In addition to the licensing framework created by this bill, the bill also provides significant consumer protection measures in the form of required disclosures to consumers regarding the insurance coverage that is being sold as well as required training for those individual salespeople acting under the retailer's license.

So in summary, this bill is a good bill not only for the retailers of North Dakota but also for the consumers of North Dakota in that the bill creates a regulatory structure for this product that ensures full disclosure to the consumer of the terms and conditions of this insurance coverage while also providing the Department of Insurance with the regulatory authority to ensure that the product is sold to North Dakota consumers in the right way. This bill strikes an effective balance between the interests of consumers and industry and we would ask that you vote favorably to move this bill from your Committee today.

Feb 3, 2015

HB1384

#2

PROPOSED AMENDMENT TO HOUSE BILL NO. 1384

Page 1, line 1, replace "26.1-56" with "26.1-26.7"

Page 1, line 4, replace "26.1-56" with "26.1-26.7"

Page 5, line 10, replace "26.1-56-03" with "26.1-26.7-03"

Renumber Accordingly



Cheryl Riley
President, External Affairs
Northern Plain States

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#3

February 2, 2015

North Dakota Legislative Committee on Industry, Business and Labor
State Capitol
600 East Boulevard
Bismarck ND 58505

HB 1384
~~2-2-15~~
2-3-15

RE: HB 1384

Honorable Committee Members:

On behalf of AT&T we would like to request your **support** of **HB 1384** when it comes before you for consideration. AT&T provides the product that is at the heart of this bill—portable electronics insurance—to its customers at its locations across the country. AT&T is a partner of Asurion, which administers the program providing portable electronic device insurance coverage to individuals purchasing portable electronic devices and services from AT&T.

We are in support of this bill because it modernizes existing law in the Insurance Code by expanding the current law to appropriately regulate the offering of insurance covering “portable electronics.” The portable electronics concept authorizes a broad scope of coverage for consumer devices so that a law change is not necessary every time a new product is brought to the market.

The bill provides clarity and regulatory certainty to the regulated community regarding the licensure of wireless carriers for the sale of portable electronics insurance. We also support the consumer protections the bill offers, including training requirements for a vendor’s employees and authorized representatives selling this product, disclosure requirements at the point of sale, and others.

We have supported this legislation in numerous other states and passing this bill will be consistent with the national trend for the regulation of portable electronic insurance coverage.

Again, AT&T would appreciate your favorable support of this legislation. If you have any questions, please feel free to contact me.

Thank you for your consideration.

Sincerely,

Cheryl Riley
AT&T President External Affairs, Northern Plains States



4
Verizon Wireless
1515 E. Woodfield Road
Suite 1400
Schaumburg, IL 60173

TESTIMONY SUPPORTING HB 1384

North Dakota House Industry Business & Labor Committee

February 3, 2015

Good afternoon Chairman Keiser and members of the House Industry Business & Labor Committee, my name is Mike McDermott and I am the Executive Director of State Government Affairs for Verizon Communications.

I am submitting this testimony in support of HB 1384, as introduced.

Much has changed in the telecommunications industry over the past 20 years. Gone are the days of clunky bag phones or cumbersome "brick phones" that were only available to the few who could afford their high costs.

Today, wireless devices are a part of our everyday routine. Smartphones, tablets, and "machine-to-machine" devices have changed the way we live, work and play. However, in the event one is lost, stolen or damaged, these devices are expensive to replace. That is why Verizon and the other wireless providers offer handset protection insurance through companies like Asurion. It is not mandatory coverage and a customer has the right to easily decline it.

Asurion offers equipment protection as a monthly service that can be purchased to help replace a customer's mobile device in case something happens to it. To be eligible, customers must sign up for equipment protection within 30 days of activating their new device.

Asurion is a third-party licensed insurance agency who offers insurance coverage for mobile devices and certain standard accessories. If a device is lost, stolen or accidentally damaged (including liquid and physical damage), customers can file a claim with Asurion within 60 days of the incident and the device will be replaced upon claim approval.

#5
HB1384
2-3-15

TESTIMONY ON HB 1384
FEBRUARY 3, 2015
HOUSE INDUSTRY, BUSINESS, AND LABOR COMMITTEE
REPRESENTATIVE KEISER, CHAIR

Mr Chairman and members of the House IBL Committee, my name is Evan Mandigo State Executive of the Independent Insurance Agents of ND. I am here today to testify in opposition to HB 1384.

The title of the bill is Portable Electronic Device Insurance. It is also known as cell phone insurance. Our Association opposes this bill for a very simple reason. We feel it is an important element of consumer protection for there to be a licensed producer directly involved in the explanation and sale of insurance to the general public. To illustrate my point, here is a quotation taken from the Verizon web site advertising the services of Asurion.

“Asurion Wireless Phone Protection

Asurion is a third-party licensed insurance agency who offers insurance coverage for your mobile device and certain standard accessories. If your device is lost, stolen or accidentally damaged (including liquid and physical damage), you can file your claim with Asurion within 60 days of the incident and the device will be replaced upon claim approval.”

Asurion states they are selling insurance and North Dakota has established certain criteria to do so. If you want to sell insurance in our state, you need to take certain steps including pre-licensing education, passing a comprehensive test on knowledge of the product for which you seek licensing, and every 2 years submit evidence of completion of continuing education course work including 3 hours of Ethics. New producers are also required to undergo a criminal background check complete with fingerprints.

The licensing process meets a vital public purpose connected to the sale of insurance products in North Dakota which is to establish a baseline so the general public has a reasonable expectation of monitored and verifiable professional competence.

I don't see similar criteria in the bill required for sales staff at a cell phone store. It appears to me as if there will be only one limited lines license required for a vendor regardless of the number of stores or employees throughout the state. There is no requirement for sales personnel to be licensed.

We also have concern about compliance with 18 USC, Section 1033 (e) 2. The short version is a person convicted of a felony may not participate in the business of insurance without the consent of the Commissioner. Without a background/fingerprint check, how would we know if there is a bad actor selling insurance at a cell phone store?

Asurion and other vendors can comply with established producer licensing laws in ND if they choose to. We see no reason to allow a special statutory exception for what Asurion and others advertise as insurance. Once that term is used, then its sale should be subject to relevant existing producer licensing laws. We feel creating a new class of licensing with diminished scrutiny and oversight dilutes the protection afforded consumers by existing producer licensing.

For these reasons, we recommend the committee provide a Do Not Pass recommendation for HB 1384 as written.

Thank you, Mr Chairman and members of the House IBL Committee. This concludes my testimony and I would be happy to respond to any of your questions.



The Technology Protection Company

My name is Paul Fassbender, Director of Government Relations for Asurion. I am submitting this written testimony on behalf of my company in support of House Bill 1384. Asurion is the leading provider of handset protection programs in the country and has joined forces with leading wireless carriers throughout the world to bring this valuable product to consumers. The product that is at the heart of this bill is an insurance program that protects a consumer's investment in their wireless communications device by insuring it against loss, theft, damage, and internal malfunction of the device. The bill provides for an entity level license to vendors offering portable electronics insurance and provides for key consumer protections related to such coverage.

As wireless devices have become an integral part of our everyday lives their functionalities have expanded exponentially and with these developments the cost of these devices has also risen. Portable electronics insurance not only ensures that a consumer's investment in such a device is protected, but also ensures that a consumer has very little down time when a problem does occur by getting a pre-programmed phone or other portable electronics device in the consumer's hands often times the very next day after a claim has been made. Staying connected in today's world is crucial and Asurion's products ensure that its customers stay connected.

House Bill 1384 is a bill that creates a licensing framework applicable to the sale of portable electronics insurance in North Dakota. Currently, there is no statutory regulatory structure that exists for the sale of this product in North Dakota. The instant legislation would provide such a structure and provide for a limited lines producer license to sell this type of insurance product. The approach set forth in this important piece of legislation ensures a balanced regulatory structure that would avoid the need to license every individual on the floor of every retailer in North Dakota that offers this insurance to consumers while also providing crucial consumer protection and disclosures. As you can imagine, licensing of every sales floor representative of a large retailer would be impractical and overly burdensome on both the Department and businesses. There is no state in the country that currently requires such a licensing scenario.

House Bill 1384 creates a regulatory scheme governing the sale of this product by creating a licensing framework under which the retailer itself holds the license authorizing its employees to sell this insurance product on their behalf in order to avoid the retailer from having to license every individual salesperson on the floor of its stores. This model is consistent with the national trend with respect to the regulation of this product as it creates an efficient and fair licensing framework for the entities offering this product to consumers and gives regulators the authority they need to effectively oversee these activities.

In addition to the licensing framework created by this bill, the bill also provides significant consumer protection measures in the form of required disclosures to consumers regarding the insurance coverage that is being sold as well as required training for those individual salespeople acting under the retailer's license.

So in summary, this bill is a good bill not only for the retailers of North Dakota but also for the consumers of North Dakota in that the bill creates a regulatory structure for this product that ensures full disclosure to the consumer of the terms and conditions of this insurance coverage while also providing the Department of Insurance with the regulatory authority to ensure that the product is sold to North Dakota consumers in the right way. This bill strikes an effective balance between the interests of consumers and industry and we would ask that you vote favorably to move this bill from your Committee today.



Cheryl Riley
President, External Affairs
Northern Plain States

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TESTIMONY IN FAVOR OF HB 1384
March 11, 2015
Senate Industry, Business and Labor

On behalf of AT&T we would like to request your **support** of **HB 1384** when it comes before you for consideration. AT&T provides the product that is at the heart of this bill—portable electronics insurance—to its customers at its locations across the country. AT&T is a partner of Asurion, which administers the program providing portable electronic device insurance coverage to individuals purchasing portable electronic devices and services from AT&T.

We are in support of this bill because it modernizes existing law in the insurance code by expanding the current law to appropriately regulate the offering of insurance covering “portable electronics.” The portable electronics concept authorizes a broad scope of coverage for consumer devices so that a law change is not necessary every time a new product is brought to the market.

The bill provides clarity and regulatory certainty to the regulated community regarding the licensure of wireless carriers for the sale of portable electronics insurance. We also support the consumer protections the bill offers, including training requirements for a vendor’s employees and authorized representatives selling this product, disclosure requirements at the point of sale, and others.

We have supported this legislation in numerous other states and passing this bill will be consistent with the national trend for the regulation of portable electronic insurance coverage.

Again, AT&T would appreciate your favorable support of this legislation. If you have any questions, please feel free to contact me. Thank you for your consideration.

Cheryl Riley
President External Affairs
Northern Plains States

3/17/15

#1

15.0720.03001
Title.

Prepared by the Legislative Council staff for
Senator Klein

March 16, 2015

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1384

Page 5, line 28, after "insurance" insert ", if any."

Re-number accordingly

T-Mobile

We've upgraded upgrades.

JUMP!
with Premium Handset Protection*

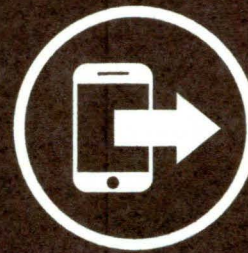
The best upgrades in wireless just got better.



Upgrade when you want. Not when you're told.



Handset insurance, extended service protection and Mobile Security. We've got your back.



When you're ready to upgrade, trade in your device.

JUMP!

with Premium Handset Protection
Only from T-Mobile



Protection provided by
ASSURANT
Solutions

Qualifying service plan with financed device required. Up to 50 percent of your device cost to be eligible for upgrades. Trade-in of an eligible device required. Offer may not be available in all locations. Device pricing may vary based on approved credit.

#2
HB 1384
3/17/15

JUMP!

with Premium Handset Protection

Just upgrade my device!

With JUMPI, you can upgrade when you want, not when you're told, and get the same price as a new customer. When you're ready to upgrade and you've paid 50 percent of your device cost (including down payment and monthly payments), just trade in your current eligible device that's in good working order, and any remaining Equipment Installment Plan (EIP) balance will be paid off. Then take advantage of T-Mobile's great pricing to purchase a new device.

Take control of your wireless experience.

For \$10 per month per device, enjoy access to T-Mobile's latest smartphones, tablets and mobile Internet devices with JUMPI upgrades, as well as the ultimate in coverage with Lookout Mobile Security Premium* and Premium Handset Protection*. Or for \$8 per month per device, protect your device from the unexpected with Premium Handset Protection* only. The \$8 or \$10 monthly charge per device will be separately itemized on your bill.

	JUMPI	Premium Handset Protection
	\$10 per month per device	\$8 per month per device
JUMPI upgrades	•	
Lookout Mobile Security Premium	•	
Premium Handset Protection		•
Accidental Damage	•	•
Loss*	•	•
Theft*	•	•
Mechanical or Electrical Breakdown		•

The information in this brochure applies to the Premium Handset Protection offering in all states, except NY.

* Coverage is provided under a Master Policy issued to T-Mobile. You will be the Certificate Holder on T-Mobile's Insurance Policy for Loss and Theft coverage benefits.

T0143.3.449



Protect your device ... you'll be glad you did.

Lookout Mobile Security Premium helps keep your device safe and secure. Lookout, included with JUMPI, delivers comprehensive security that allows you to:

- **Secure every download:** Lookout helps keep your mobile device safe from threats like malware and viruses with automatic app scanning, Web protection and real-time security updates.
- **Find your device:** Use Lookout.com to help locate your lost device, sound a loud alarm and snap a picture of anyone who tries to access your device.
- **Theft alerts:** Lookout sends email alerts when suspicious activity is detected that could mean your device has been stolen.

- **Back up your data:** Designed to securely back up unlimited contacts and photos and access them virtually any time at Lookout.com.

Lookout Mobile Security Premium is also available as a standalone service for \$4 per month per device.

Get the most out of worry-free protection.

Your device is essential to keeping you connected. Whether you use it to surf the Web or keep up with your family and friends — it's important that your device is ready when you need it. With Premium Handset Protection you won't miss a beat if your device is:

- **Accidentally damaged** (including liquid damage)
- **Lost**
- **Stolen**
- **Malfunctioning due to mechanical or electrical breakdown**

Please remember to send or receive a call, send a text or access data on the device (not using Wi-Fi) to verify your device is active on the T-Mobile network.

Live your life with confidence. Enroll today!

To enroll in Premium Handset Protection or JUMPI, you must do so within 14 days of a qualified T-Mobile® device purchase.** Enrollment is optional and is not required to purchase the device or obtain T-Mobile wireless services.

Additionally, customers who wish to enroll in JUMPI with Premium Handset Protection must have financed their T-Mobile device through our Equipment Installment Plan (EIP). For more information on financing your device, go to www.T-Mobile.com.

Get reconnected — fast — with Premium Handset Protection.

If your device is accidentally damaged, malfunctions due to mechanical/electrical breakdown, or is lost or stolen, a fast and friendly claims process will help get you reconnected.

Deductibles

Once your claim is approved, a deductible based on the value of your device will be collected from you by credit card, debit card or check.

A \$20, \$50, \$100, \$150 or \$175 deductible will apply for each approved accidental damage, lost or stolen claim depending on the device. A \$5 processing fee will apply for approved mechanical or electrical breakdown claims.

Please see a T-Mobile Sales Associate or visit myPHPinfo.com to determine which deductible applies to your device.

** Not all devices sold by T-Mobile are eligible for Premium Handset Protection coverage.

File a claim quickly and easily at myPHPinfo.com.

To file a mechanical or electrical breakdown claim
If your device malfunctions due to a defect in materials or workmanship, please contact T-Mobile at 1-800-937-8997 or visit your closest T-Mobile store.

To file a loss, theft or accidental damage claim
If your device is lost, stolen or accidentally damaged, simply visit myPHPinfo.com 24 hours a day, 7 days a week. It's a convenient way to complete and check the status of your claim. If the claim involves an accidentally damaged device, you will be provided with detailed information on how to return the device when the claim is approved. You may also call 1-866-966-6285 and a Customer Service Representative will work with you to process your claim. Proof of loss may be required.

With your Premium Handset Protection, you are eligible for a maximum of two approved claims within a 12-month period for events involving loss, theft or accidental damage, subject to your deductible. There is no maximum on the amount of replacements for mechanical or electrical breakdowns.

Replacement devices are shipped overnight, at no charge where available, for delivery within 1-2 business days once you are notified that your claim is approved by Assurant Solutions. Your device will be replaced with a reconditioned device of like type and quality. If a reconditioned device is not available, the replacement will be made with a new device of like type and quality. And, because your satisfaction is so important to us, every replacement device comes with a six-month warranty or the original manufacturer's warranty, the longer term applies.

Have your information ready

The claim should be filed by you within 90 days of the incident, unless additional time is required by state law. Please be sure to have the following information handy:

- Your device's mobile number
- Device manufacturer, make and model
- Electronic Serial Number or IMEI
- Credit card/debit card/Check for deductible

Document Delivery

We are pleased to offer a greener way to deliver your Premium Handset Protection forms to you. When we send you your forms electronically, you can easily receive and save them and any other important papers. It also reduces the amount of paper you receive in the mail. Within 30 days of your enrollment, we will let you know to obtain your documents electronically. By providing your email address, you agree that all documents, notices and communications may be sent electronically (where allowed by state law).

JUMPI Upgrade Summary

You are eligible for this benefit after paying 50 percent of your device cost. You must also be current with your scheduled Equipment Installment Plan (EIP) payments and your earliest service payments. The device must be in a good working order. You can cancel at any time by calling 1-800-937-8997 or visiting my.T-Mobile.com. JUMPI upgrades from T-Mobile trade-in benefits through C/Wire. Program fees paid to C/Wire.

Lookout Mobile Security Summary
Device fees apply. Lookout Mobile Security is a service provided by Lookout.® Installation and registration for Lookout Mobile Security required. Lookout Terms of Service govern your use of the product. Lookout Privacy Policy apply in the collection and use of your data by Lookout. Lookout is not an instant access product, but can be sold as part of the JUMPI program. Capable device required. Technical limitations may prevent certain features. See Lookout.com for complete details. Device must be powered-on with the SIM card installed. Has text messaging capability, and be within T-Mobile's coverage area for its features to function. Enabling location history features can cause device battery life to diminish more quickly. Once device is WPEID, the data is not retrievable. Lookout may be disabled or uninstalled by other applications, software, devices or hacking; in such cases Lookout's protective features may not function properly. Lookout may be incompatible with other prior installed software on your device.

Premium Handset Protection Summary

This section briefly describes what's covered and excluded for Premium Handset Protection. We will provide you with a copy of the coverage forms with full details on benefits, exclusions and deductibles when you enroll in the program. Coverage documents are provided in English.

- T-Mobile employees are not fully licensed insurance agents. Premium Handset Protection may duplicate other coverages you may have such as homeowner's or rental insurance. Premium Handset Protection would cover you before any other insurance. T-Mobile and its employees are not qualified or authorized to assume the responsibility of your existing coverage. You may check with your licensed agent for your own insurance statements.
- T-Mobile does not have jurisdiction for services performed in connection with this program.
- For accidental damage, loss or theft the program allows you to be covered claims within 12 months of no more than \$1,500 each. There is no limit to covered mechanical breakdown claims.
- Premium Handset Protection covers the device and the standard charger, standard battery and SIM card (if applicable to your device). Accessories provided as part of the original purchase are covered only in the event of the simultaneous loss or theft of both the device and the accessory.

- You must return your damaged or malfunctioning device within 10 days of receipt of your replacement device. If you do not return the device, you will be charged an uncovered equipment fee of up to \$300.
- Exclusions: Losses caused or resulting from corrosion or rust; pre-existing conditions; failure to follow manufacturer's maintenance guidelines; intentional or deliberate acts; unauthorized repair or service; power fluctuations and delay or loss of market; loss of access or interruption of business. Refer to coverage forms for a full list of exclusions.

- Terms: Coverage starts at 12:01 a.m. on the date you enroll. You must enroll in the plan within 14 days of having your new eligible T-Mobile device.
- Cancellation: You can cancel your optional coverage at any time by calling 1-800-937-8997 or visiting my.T-Mobile.com. Your cancel request will be reflected on your next bill. The monthly charge will be adjusted (prorated) to include only the days you were covered before the cancellation was processed. This is a monthly renewable plan and must be paid on a monthly basis. If you don't pay the monthly charge, the plan will terminate.

Provider Information: Property insurance (for loss and stolen coverage) is underwritten by American States Insurance Company of Florida (AISC), 10111 Principal Avenue, 11222 Quant Road Drive, Miami, FL 33157, 1-800-253-2244, jurisdiction: Washington, D.C., and all states in the United States, Domestic FL. In all states, except in MI — American Reliable Insurance Company. The Service Contract Obligor is Federal Warranty Service Corporation in all states, except in CA — Surety, Inc.; in FL — United Service Protection, Inc.; in OK — Assurant Service Protection, Inc. These companies operate under the trade name Assurant Solutions. The Signal CA license is 0079678. CA license address and phone number are 616 S. Westchester Rd, Suite 300, Hayward, CA 94601-6110, 1-800-937-8997. For CA customers, the California Department of Insurance consumer hotline is 1-800-427-4337. For MD customers, the Maryland Department of Insurance consumer hotline is 1-800-492-8116. In UT, coverage for this plan is provided under form number 033605PC-112.

Additional provider information: Premium Handset Protection is underwritten by The Signal, LP in all states, except W where the administrator is Federal Warranty Service Corporation. Limited-time offer, subject to change. Participating locations only. All prices plus taxes and fees. Premium Handset Protection not available for devices with EIP in some locations. Deductible may vary by device. Equipment installation fees required for device financing and JUMPI enrollment. See Sales Associates for details or go to www.T-Mobile.com for more information.



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Important information about your device protection

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February 25, 2015

Device Mobile # [REDACTED]



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Better upgrades. Exceptional protection.

JUMP!™

with Premium Handset Protection®

Upgrade when you want, not when you're told.

No waiting to upgrade or limit on how many times you can upgrade per year.

Welcome to JUMP!™ – the upgrade program that includes device protection and mobile security to help your peace of mind. When you're ready to upgrade, simply trade-in your device and T-Mobile® will cover your remaining device payments up to 50 percent of the device cost.

Worry-free protection when you need it.

Your Premium Handset Protection®*** has you covered in case your device experiences any of the following:

- Accidental damage (including liquid damage)
- Mechanical or electrical breakdown
- Loss
- Theft

Designed to help secure your data and privacy.

Lookout Mobile Security® Premium*** helps protect your device and data with these great features:

- **Security** – Automatically helps protect against viruses, malware and spyware. Helps block harmful links and protect your privacy.
- **Backup** – Backs up unlimited photos, contacts and call history. Allows you to easily download your data to transfer it to a new device.
- **Find My Phone** – Helps you Locate, Lock and Wipe your device!
- **Theft Alerts** – Sends you email alerts when suspicious activity is detected that could mean your device has been stolen.

Available for both Android and iOS. If you need any assistance with these features, please email support@lookout.com.

Enjoy your device and leave the rest to us.

You can rest easy knowing that your device can be replaced quickly and easily once your claim is approved. **Please take a moment to review the enclosed details about your plan benefits.** You made a great choice, so enjoy your device because you're protected should you need it.

Keep your enclosed coverage forms and this welcome letter handy in case you need to file a claim.

* Qualifying service plan with financed device required. Pay 50 percent of your device cost to be eligible for upgrades. Trade-in of an eligible device required. Offer may not be available in all locations. Device pricing may vary based on approved credit. JUMP! upgrades from T-Mobile; trade-in benefits through CWork Solutions, LP. Program fees paid to CWork. No separate insurance fees, except in NY.

** Please remember to activate your coverage by sending or receiving a call, sending a text, or accessing data on the device (not using Wi-Fi). In all states except NY, you will be the Certificateholder on T-Mobile's Insurance Policy for Loss and Theft coverage benefits. T-Mobile pays for these benefits on your behalf. Program provided by the Assurant Solutions companies identified in the enclosed forms.

*** Available on select devices. Certain device requirements apply for features to function. May be disabled or uninstalled by other applications, software, devices or hacking and may not function properly. Lookout Mobile Security is a service provided by Lookout®.



ASSURANT
Solutions®



**The protection you need.
The peace of mind you deserve.**

For more information or to check the status of an existing claim, simply visit

myPHPinfo.com

Here are a few quick tips to make your claims process easy:

- Only the primary account holder may file a claim.
- You should file your claim within 90 days of the incident.[†]
- Have your information ready
 - Your device's mobile number
 - Device manufacturer, make and model
 - Electronic Serial Number (ESN) or IMEI
 - Credit card/debit card/eCheck to pay the deductible or processing fee
- Please note, in certain instances additional documentation may be required in order to process your claim.
- If your device is lost, stolen or accidentally damaged:
 - Simply visit **myPHPinfo.com** 24 hours a day, 7 days a week.
 - You may also call **1-866-866-6285** and a Customer Service Representative will work with you to process your claim.
 - Or visit any T-Mobile® store to see if you qualify for a JUMP!™ upgrade.
- If your device malfunctions due to mechanical or electrical breakdown:
 - Contact T-Mobile at **1-800-937-8997** and a Customer Service Representative will work with you to process your claim.
 - You may also visit any T-Mobile store.

[†] Maximum of two approved accidental damage, loss or theft claims within a 12-month period. Limit of \$1,500 per occurrence. A \$5 processing fee applies for each approved mechanical and electrical breakdown claim. Premium Handset Protection covers the device and certain accessories, when required. Damaged devices must be returned within 10 days of receiving replacement device; otherwise you will be charged an unrecovered equipment fee of up to \$900. Certain losses not covered; see coverage documents for details.

T-Mobile and the magenta color are registered trademarks of Deutsche Telekom AG. Premium Handset Protection, JUMP! and JUMP! design are registered trademarks of T-Mobile USA, Inc.





T-Mobile® deductible and fee schedule*

Monthly Charge: \$10 per device

Find your device and corresponding deductible below. If your device is not listed here, please visit myPHPinfo.com, or call 1-866-866-6285 to determine which deductible applies to your device.

Deductible:
\$20 per claim
for accidental damage, loss and theft

ALCATEL ONETOUCH Evolve
ALCATEL ONETOUCH Evolve 2
Huawei Sonic 4G HotSpot

Nokia Lumia 530
Samsung T199
ZTE Concord V768

ZTE MF64
ZTE Zinger

Unrecovered Equipment Fee:
up to \$200

Deductible:
\$50 per claim
for accidental damage, loss and theft

ALCATEL ONETOUCH Fierce
ALCATEL ONETOUCH Fierce 2
ALCATEL ONETOUCH POP 7
Blackberry Curve 9315

Huawei Prism II
Huawei Summit
Nokia Lumia 521
Nokia Lumia 635

Samsung Galaxy Exhibit T599
Samsung LTE Mobile HotSpot PRO
T-Mobile 4G LTE HotSpot Z915
ZTE Concord II

Unrecovered Equipment Fee:
up to \$300

Deductible:
\$100 per claim
for accidental damage, loss and theft

Asus Google Nexus 7
Kyocera Hydro XTRM
LG MyTouch E739
LG Optimus F3 P659
LG Optimus F3Q

LG Optimus F6 D500
LG Optimus L90
Samsung Galaxy Avant
Samsung Galaxy Exhibit 4G T679
Samsung Galaxy Gear S

Samsung Galaxy LIGHT T399
Samsung Galaxy Tab 3
Sony Xperia T2
ZTE ZMAX

Unrecovered Equipment Fee:
up to \$500

Deductible:
\$150 per claim
for accidental damage, loss and theft

Apple iPad Air 16 GB
Apple iPad mini 16 GB
Apple iPad mini 3 16 GB
Apple iPad mini Retina 16 GB/32 GB
Apple iPhone 4
Apple iPhone 5c 8 GB/16 GB
HTC Sensation 4G

LG G2 D801
LG Google Nexus 4
LG Google Nexus 5
Nokia Lumia 925
Samsung Galaxy S 4G
Samsung Galaxy S2
Samsung Galaxy S3 LTE

Samsung Galaxy S Blaze 4G
Samsung Galaxy Tab
Samsung Galaxy Tab II 10.1
Samsung Galaxy Tab 4
Sony Xperia
Sony Xperia Z
Sony Xperia Z1S

Unrecovered Equipment Fee:
up to \$700

Deductible:
\$175 per claim
for accidental damage, loss and theft

Apple iPad Air 32GB/64 GB/128 GB
Apple iPad Air 2
Apple iPad mini 3 64 GB/128 GB
Apple iPad mini Retina 64 GB/128 GB
Apple iPhone 5c 32 GB
Apple iPhone 5s
Apple iPhone 6

Apple iPhone 6 Plus
HTC One M7/M8/W8
LG G3
LG G Flex D959
Motorola Google Nexus 6
Samsung Galaxy Note II
Samsung Galaxy Note III

Samsung Galaxy Note 4
Samsung Galaxy Note 10.1
Samsung Galaxy Note Edge
Samsung Galaxy S4
Samsung Galaxy S5
Sony Xperia Z3

Unrecovered Equipment Fee:
up to \$900

Processing Fee: \$5 per claim for mechanical and electrical breakdowns

* A \$20, \$50, \$100, \$150 or \$175 deductible will apply for approved accidental damage, loss or theft claims depending on the device. A \$5 processing fee applies for each approved mechanical and electrical breakdown claim.

T-Mobile is a registered trademark of Deutsche Telekom AG. All marks associated with the devices listed herein are the property of their respective owners.

T-MOBILE DEVICE PROTECTION PLUS DECLARATIONS PAGE

PRODUCT OWNER:



PRODUCT COVERED DESCRIPTION – MAKE/MODEL		COVERAGE START DATE 12:01 a.m. Standard time at the address shown above		COVERAGE END DATE 12:01 a.m. Standard time at the address shown above	
Refer to T-Mobile Service Agreement		FEB 13 2015		Monthly Renewable	
SERIAL NUMBER		PRODUCT PURCHASE DATE		MAXIMUM REPLACEMENT VALUE	
Refer to T-Mobile Service Agreement		Refer to T-Mobile Service Agreement		\$1500.00	
COVERAGE PURCHASED	PRICE	DEDUCTIBLE	SERVICE FEE	UNRECOVERED EQUIPMENT FEE	SHIPPING AND HANDLING FEE
T-Mobile Device Protection Plus with JUMP!	\$10.00	See T-Mobile deductible and fee schedule	\$5.00 See T-Mobile deductible and fee schedule	See T-Mobile deductible and fee schedule	N/A
The maximum number of repairs or replacements is two (2) during a twelve (12) month period. No further replacements will be provided for the remainder of this period. There are no repairs or replacement limits for mechanical and electrical breakdown losses during the term of this Service Contract.					
For service contact: 1-866-866-6285 or visit Us at www.myPHPinfo.com					

THIS COVERAGE IS SUBJECT TO CONDITIONS AND PROVISIONS SET FORTH ON THIS PAGE AND THE ENCLOSED DOCUMENTS. PLEASE READ THEM CAREFULLY.



T-MOBILE DEVICE PROTECTION PLUS SERVICE CONTRACT TERMS AND CONDITIONS

This Service Contract is not a contract of insurance.

This Service Contract is issued in conformance with these terms and conditions. The Service Contract includes the Declarations Page, Terms and Conditions, state specific Addendums and any other applicable Addendums. **This Service Contract must be made available for inspection when You require service.**

THIS SERVICE CONTRACT IS INCLUSIVE OF THE MANUFACTURER'S WARRANTY; IT DOES NOT REPLACE THE MANUFACTURER'S WARRANTY, BUT PROVIDES CERTAIN ADDITIONAL BENEFITS DURING AND BEYOND THE TERM OF THE MANUFACTURER'S WARRANTY.

You/Your means the owner of the Product covered under this Service Contract.

Service Contract Provider/We/Us/Our means the entity that is contractually obligated to You under the terms of this Service Contract. The Service Contract Provider is Federal Warranty Service Corporation, P.O. Box 105689, Atlanta, GA 30348-5689, 1-877-881-8578 in all states except in California where the Service Contract Provider is Sureway, Inc. P.O. Box 105689, Atlanta, GA 30348-5689, 1-877-881-8578; in Florida where the Service Contract Provider is **United Service Protection, Inc.**, 11222 Quail Roost Drive, Miami, FL 33157, 1-877-881-8578; in Oklahoma where the Service Contract Provider is Assurant Service Protection, Inc., P.O. Box 105689, Atlanta, GA 30348-5689, 1-877-881-8578 and in New Jersey where the Service Contract Provider is the entity from which You purchased Your Product.

Service Contract Administrator means the entity responsible for the administration of this Service Contract. The Service Contract Administrator is The Signal, 676 E. Swedesford Road, Suite 300, Wayne, PA 19087 in all states, except in Oklahoma where the Service Contract Administrator is The Signal, L.P. 676 E. Swedesford Road, Suite 300, Wayne, PA 19087; and in Wisconsin where the Service Contract Administrator is Federal Warranty Service Corporation, 676 E. Swedesford Road, Suite 300, Wayne, PA 19087.

Service Contract Seller is T-Mobile, USA, Inc., 12920 SE 38th Street, Bellevue, WA 98006, the entity that sold the Service Contract to You.

Product means Your covered T-Mobile, USA, Inc. communications device, including any standard accessories such as the device battery included with Your Product purchase at no extra cost and as listed on the Declarations Page, or at Our discretion, any replacements provided by T-Mobile, USA, Inc., manufacturer, or by Us, under this Service Contract.

Service Contract means this Service Contract, which You have purchased to cover the Product described on the Declarations Page.

Price means the consideration paid for by You for this Service Contract.

COVERAGE TERM:

If You purchased this Service Contract at the same time You purchased Your Product, this Service Contract will take effect immediately and will cover Your Product up to the coverage end date on the Declarations Page or until cancelled by either You or Us.

If You purchased this Service Contract on a date later than the purchase of Your Product, this Service Contract will take effect immediately after the purchase of the Service Contract and will cover Your Product up to the coverage end date or until cancelled by either You or Us. Please see Your coverage start date and coverage term on the Declarations Page for Your coverage specifics.

WHAT IS COVERED:

T-MOBILE DEVICE PROTECTION – This Service Contract provides repair or replacement coverage for Product hardware failures due to normal wear and tear. Should We repair Your Product, We will restore its hardware and preloaded manufacturer's software functionality to the manufacturer's written specifications.

T-MOBILE DEVICE PROTECTION PLUS This Service Contract provides repair or replacement coverage for Product hardware failures due to normal wear and tear including accidental damage (such as drops, liquid spills, and cracks). Should We repair Your Product, We will restore its hardware and preloaded manufacturer's software functionality to the manufacturer's written specifications.

IF YOU NEED SERVICE:

All claims must be reported as soon as reasonably possible. This Service Contract covers only those claims reported within ninety (90) days of the date of the Product's failure.

TELEPHONE HARDWARE AND SOFTWARE SUBSCRIBER ASSISTANCE: To arrange for service, call the toll free number or visit Us at the website indicated on the Declarations Page. A service representative will assist You by telephone and/or remote online support to diagnose any technical difficulties that may exist with Your Product's hardware or preloaded manufacturer's software. To the extent that Our telephone diagnosis confirms a covered hardware failure, We will process Your claim and arrange for any applicable service of Your Product. Our level of technical service does not support customized or proprietary software, applications not included by the manufacturer of your Product at no additional charge, or software errors that confirm improperly functioning or defective software. Additionally, this Service Contract does not provide education on how to utilize or perform tasks using any type of software program, preloaded or other.

SERVICE LOCATION: Repairs will be performed at an authorized repair center determined by Us. Service will be available and rendered during the regular working hours and work week of the product repair centers. If Your Product requires an approved repair more than once within a sixty (60) day period, service must be completed by the original repair center.

REPLACEMENT OPTION: At Our option, following Our telephone diagnosis, We will either:

- 1) Replace Your Product with a new, refurbished, or recertified product of like kind and quality if We are unable to repair Your Product or if the repair cost exceeds the current retail replacement value of Your Product. While We will try to accommodate specific replacement preferences such as equipment color, cosmetics, or features, this request is not guaranteed. The price of the replacement product shall not exceed the maximum replacement value of the original Product less any applicable deductible. If We replace Your Product, We will ship the replacement product to You; or
- 2) Issue a cash credit equal to the value of the replacement product, not to exceed the maximum replacement value of the original Product less any applicable deductible. The cash credit, with Your authorization, will be deposited in Your account with T-Mobile, USA, Inc. and may be used by You toward the purchase of any eligible replacement product of Your choice; or
- 3) Provide a settlement equal to the value of the replacement product, not to exceed the maximum replacement value of the original Product less any applicable deductible.

When You receive either the replacement product, cash credit, or settlement, the damaged/unrepairable Product become Our property. You are responsible for returning the damaged/unrepairable Product to Us and any subsequent shipping costs such as express or expedited shipping, or any reshipping expenses.

Once We receive the damaged/unrepairable Product, We will inspect the Product and validate that the reported hardware failure is covered under this Service Contract. Should We determine that the failure resulted from an Exclusion in this Service Contract, We will contact You with Our findings and arrange either to:

- 1) Charge to You the difference between the value of the replacement product, cash credit, or settlement and the current market value of the damaged/unrepairable Product; or
- 2) Return the Product to You and charge You the value price of the replacement product, cash credit, or settlement; or
- 3) Return the Product to You after We receive the replacement product, cash credit, or settlement. The returned replacement product must be in the same condition that We sent it to You.

DELAYS: We will exercise reasonable efforts in providing service under this Service Contract, but We will not be liable for any damages arising out of delays; and in no event will We be liable for any consequential damages.

PARTS: Materials furnished as replacements for parts will be drawn from Our service contractor's inventory of new or rebuilt parts and components. These materials will be furnished under provisions of the manufacturer's warranty while still in effect and then by Our service contractor during the remainder of the term of coverage.

EXCLUSIONS:

T-MOBILE DEVICE PROTECTION excludes: any loss, repair or replacement necessitated by acts of God; accidental, consequential, incidental or intentional damage; misuse, abuse, neglect, or services (or damages caused) by non-authorized repair personnel; pre-existing conditions known to You that occurred prior to the coverage start date; rust, corrosion, spilled liquids, insect infestation or fire; theft or burglary, mysterious disappearance, vandalism, transport, riot, environmental conditions, sand, dirt, damage from exposure to weather conditions, power reductions or fluctuations; loss or damage to or of antennas, external housing, or casings that does not affect the mechanical or electrical function of the Product; loss or damage to stored data (including contacts, ring tones, and games), repairs related to computer viruses, or software that is added after the original Product purchase; "no problem found" diagnosis or any defects that are subject to a manufacturer's recall; claim for any loss caused by the use of the Product in a manner not recommended by the manufacturer; claims arising



from any breach of implied or expressed warranty of merchantability or fitness of the Product from the manufacturer.

MOBILE DEVICE PROTECTION PLUS excludes: any loss, repair or replacement necessitated by acts of God; consequential, incidental or intentional damage; misuse, abuse, neglect, or services (or damages caused) by non-authorized repair personnel; pre-existing conditions known to You that occurred prior to the coverage start date; rust, corrosion, insect infestation or fire; theft or burglary, mysterious disappearance, vandalism, transport, riot, environmental conditions, sand, dirt, damage from exposure to weather conditions, power reductions or fluctuations; loss or damage to or of antennas, external housing, or casings that does not affect the mechanical or electrical function of the Product; loss or damage to stored data (including contacts, ring tones, and games), repairs related to computer viruses, or software that is added after the original Product purchase; "no problem found" diagnosis or any defects that are subject to a manufacturer's recall; claims for any loss caused by the use of the Product in a manner not recommended by the manufacturer; claims arising from any breach of implied or expressed warranty of merchantability or fitness of the Product from the manufacturer.

WHAT YOU MUST DO: In order to keep this Service Contract in force during the coverage term, You must maintain the Product in accordance with the service requirements set forth by the manufacturer's specifications, including cleaning and maintenance. It is Your responsibility to protect the Product from further damage and comply with the owner's manual. You must notify the Service Contract Administrator in writing if Your address changes.

INELIGIBLE FOR COVERAGE: This Service Contract does not provide any service for property held in inventory or property held as Your stock in trade. Enrollment in this Service Contract is only available for new communications devices under manufacturer's warranty or, at Our discretion, certified reconditioned communications devices.

CANCELLATION: You may cancel this Service Contract at any time for any reason by mailing a request for cancellation or calling the Service Contract Administrator at the toll free number indicated on the Declarations Page.

If You cancel this Service Contract within the first thirty (30) days of the coverage start date, and the Price has been paid, and no claims have been paid, the contract is void and You will receive a full refund. In the event this Service Contract is cancelled after thirty (30) days or within the first thirty (30) days and You have made a claim, We will refund to You the unearned pro rata Price, less any claims paid up to the date of cancellation. If this Service Contract was inadvertently sold to You on a product which was not intended to be covered by this Service Contract, We will cancel this Service Contract and return the full Price to You. If You cancel, We are not responsible to provide You with written notice of cancellation.

If You cancel or do not renew Your service with T-Mobile, USA, Inc. for any reason, including nonpayment, this constitutes cancellation of the Service Contract by You, subject to the terms and conditions of this Service Contract.

We may cancel this Service Contract within the first sixty (60) days for any reason. After sixty (60) days, We may only cancel this Service Contract for (1) nonpayment of the Price; (2) fraud or material misrepresentation; or (3) substantial breach of duties by You. If We cancel due to fraud, material misrepresentation or a substantial breach of duties by You, We will provide You with written notice, with the reason for cancellation, at Your last known mailing or email address (depending on Your chosen form of communication) at least thirty (30) days before cancellation. We will refund the unearned pro-rata Price less any claims paid, except as otherwise required by law.

DEDUCTIBLE (if applicable): You will be assessed a non-refundable deductible as shown on the Declarations Page each time a repair or replacement is completed. There is no deductible for mechanical and electrical failure repair or replacements in accordance with the terms and conditions of this Service Contract.

SERVICE FEE (if applicable): You will be assessed a non-refundable service fee as shown on the Declarations Page each time a repair or replacement is completed. There is no service fee for accidental damage repair or replacements in accordance with the terms and conditions of this Service Contract.

SHIPPING AND HANDLING FEE (if applicable): You are responsible for payment of a non-refundable Shipping and Handling Fee each time a repair or replacement is shipped as shown on the Declarations Page.

UNRECOVERED EQUIPMENT FEE (if applicable): If the damaged/unrepairable Product is not returned to Us within ten (10) calendar days from the date We ship the replacement product to You, We will charge to You the non-refundable Unrecovered Equipment Fee listed on the Declarations Page.

We reserve the right to collect any Fee due to Us under this Service Contract prior to issuing a replacement product, cash credit, or settlement.

TRANSFER: This Service Contract is not transferable.

RENEWAL: For monthly term programs, We reserve the right to change the provisions of this Service Contract (including Price and Deductible) upon giving You at least thirty (30) days written notice prior to the date of renewal. For term

programs, We may, at Our option, renew this Service Contract; however, We are not obligated to offer You another Service Contract upon the coverage end date of this Service Contract or to accept a Service Contract renewal, in the event You tender one. If the Service Contract is renewed, We reserve the right to change the provisions of this Service Contract (including Price and Deductible) upon giving You at least thirty (30) days written notice prior to the date of renewal.

ARBITRATION:

READ THE FOLLOWING ARBITRATION PROVISION ("PROVISION") CAREFULLY. IT LIMITS CERTAIN OF YOUR RIGHTS, INCLUDING YOUR RIGHT TO OBTAIN RELIEF OR DAMAGES THROUGH COURT ACTION.

To begin Arbitration, either You or We must make a written demand to the other party for arbitration. The Arbitration will take place before a single arbitrator. It will be administered in keeping with the Expedited Procedures of the Commercial Arbitration Rules ("Rules") of the American Arbitration Association ("AAA") in effect when the claim is filed. You may get a copy of these AAA's rules by contacting AAA at 1633 Broadway, 10th floor, New York, NY 10019, calling (800) 778-7879 or visiting www.adr.org. The filing fees to begin and carry out arbitration will be shared equally between You and Us. This does not prohibit the arbitrator from giving the winning party their fees and expenses of the arbitration. Unless You and We agree, the arbitration will take place in the county and state where You live. The Federal Arbitration Act, 9 U.S.C. § 1, et seq., will govern and no state, local or other arbitration law will apply. **YOU AGREE AND UNDERSTAND THAT this arbitration provision means that You give up your right to go to court on any claim covered by this provision.** You also agree that any arbitration proceeding will only consider your claims. Claims by, or on behalf of, other individuals will not be arbitrated in any proceeding that is considering Your claims. Please refer to the state addendum for any added requirements in Your state. In the event this arbitration provision is not approved by the appropriate state regulatory agency, and/or is stricken, severed, or otherwise deemed unenforceable by a court of competent jurisdiction, You and We specifically agree to waive and forever give up the right to a trial by jury. Instead, in the event any litigation arises between You and Us, any such lawsuit will be tried before a judge, and a jury will not be impaneled or struck.

To review the General Privacy Policy of Federal Warranty Service Corporation, Assurant Service Protection, Inc., Sureway, Inc., and United Service Protection Inc., Assurant Solutions Companies, please visit <http://www.assurantsolutions.com/privPolGeneral.html>.



American Bankers Insurance Company of Florida

A Stock Insurance Company

Administrative Office: 11222 Quail Roost Drive, Miami, FL 33157-6596 • 305.253.2244

COMMUNICATION DEVICE PROTECTOR CERTIFICATE OF INSURANCE

INSURING AGREEMENT

We agree to provide coverage for your communications device(s) that are eligible and enrolled for coverage, subject to the terms and conditions set forth in this Certificate, the Group Policy ("Policy"), your purchase receipt or your service agreement and any endorsements attached to this Certificate. Information about your coverage effective date, term, and insured product is included in your purchase receipt or the service agreement you entered into with the policyholder or your coverage confirmation.

A copy of the Policy under which this Certificate is issued is available for your inspection by contacting us at: 1-866-866-6285.

DEFINITIONS

"Accidental Damage" means an unexpected and unintentional external event that results in physical damage to the insured product, including spilled liquids. The damage shall not be foreseeable and shall be beyond your control or the control of anyone you entrusted with the insured product.

"Computer Virus" means any program, applications, scripts or code intended to contaminate or destroy data. It includes but is not limited to any of the following: self-replicating viruses, worms, trojans, logic bombs, spyware or other malware. It does not mean defect or programming errors, such as the inability of a program to process any naturally occurring calendar date.

"Group" means product owners who enroll in and we accept for coverage under the Policy and who also maintain mechanical and electrical breakdown coverage for the product under a service and repair program approved by us.

"Group Policyholder" ("Policyholder") means T-Mobile USA, Inc., the organization that holds the Group Policy.

"Insured Product" ("Product") means any of the following items:

1. your new or reconditioned T-Mobile USA, Inc. communications device(s) as listed on your T-Mobile USA, Inc. purchase receipt/service agreement/coverage confirmation or registered by you with (and approved by) us;
2. any replacement communication device of like kind and quality provided by the policyholder, the manufacturer, or us under this Certificate;
3. any upgrade technology of like kind and quality provided by us under this Certificate or purchased by you and approved by us; and

4. any standard accessories included with the original purchase of the communications device, including the device battery, SIM card, and wall charger.

"Loss" means an occurrence of a Covered Cause of Loss, including but not limited to continuous or repeated exposure to substantially the same general harmful conditions to the insured product while this Certificate is in force.

"Mechanical and Electrical Breakdown" mean the failure of the insured product due to a hardware part malfunction caused by normal wear and tear when operated according to the manufacturer's instructions. Mechanical and electrical breakdown does not include standard accessories provided with the original insured product purchase.

"Mysterious Disappearance" means the disappearance of the insured product without your knowledge as to place, time or manner of its loss.

"Nuclear Hazard" means any nuclear reaction or radiation or any radioactive contamination from any other cause.

"Pre-existing Condition" means failures or defects which you should have reasonably known to be present prior to the effective date of this Certificate.

"Product Owner," "You," and "Your" mean the person or entity whose insured product is covered by this Certificate.

"Theft" means the unlawful taking or removing of the insured product without your consent and with the intent to deprive you of the insured product. This includes burglary and robbery.

"We," "Us," and "Our" mean American Bankers Insurance Company of Florida.

WHEN COVERAGE IS EFFECTIVE

If you were provided this coverage at the same time you purchased your insured product, this coverage will take effect 12:01 a.m. on the date you purchased your insured product and will cover your insured product through the coverage term or until cancelled by either you or us.

If you were provided this coverage on a date later than the purchase of your insured product, this coverage will take effect immediately after we validate your insured product's conditions and will cover your insured product through the coverage term or until cancelled by either you or us.

To be eligible for coverage under this Certificate, you must be a member of the group. Your coverage under this Certificate

begins upon our approval. If approved, your coverage is retroactive to the date the coverage was provided by the policyholder. Should we disapprove your coverage, we will notify you in writing within thirty (30) days and refund to the policyholder any premium paid.

For month-to-month coverage, you also must be an active customer of the policyholder to be covered under this Certificate.

COVERED CAUSES OF LOSS

We will cover the insured product against direct and sudden loss, damage, or failure caused by:

1. fire or lightning;
2. windstorm or hail;
3. explosion or smoke;
4. riot or civil commotion;
5. aircraft or vehicles;
6. marine perils while on ferries and/or in cars or transfers in connection with land conveyances;
7. volcanic eruption;
8. vandalism or malicious mischief;
9. **theft;**
10. **mysterious disappearance.**

EXCLUSIONS

We will not pay for loss to an insured product caused by or resulting from:

1. acts of God not listed in the Covered Causes of Loss provision;
2. consequential, incidental or intentional damage caused by you;
3. misuse, abuse, neglect by you or anyone entrusted with the insured product;
4. **pre-existing conditions;**
5. rust, corrosion, mold, dust, sand, dirt, or damage from exposure to environmental conditions;
6. insect infestation;
7. "no problem found" diagnosis or any defects that are subject to a manufacturer's warranty;
8. claims arising from any breach of implied or expressed warranty of merchantability or fitness of the insured product from the manufacturer or issues related to a manufacturer's recall;
9. error or omission in design or system configuration, faulty construction or any original defect in the insured product;
10. depreciation or obsolescence;
11. failure to follow manufacturer's maintenance recommendations;
12. delay or loss of market, loss of income or interruption of business;
13. intentional and/or dishonest acts by you, or anyone else with an interest in the insured product or anyone entrusted with the insured product;
14. voluntary parting with the insured product by you or anyone entrusted with the insured product, including if induced to do so by any fraudulent scheme, trick, device or false pretense;

15. war, including undeclared or civil war, insurrection, rebellion, revolution; warlike act of a military force, including action in hindering or defending against an actual or expected attack, by government, sovereign or other authority using military personnel or other agents;
16. **nuclear hazard;**
17. non-authorized repair or service, or an error in programming or instructions, or damages caused by non-authorized repair personnel;
18. illegal trade or confiscation by any governmental authority;
19. **computer viruses;**
20. loss to property held in inventory or held as stock in trade;
21. cosmetic damage that does not affect functionality of the insured product;
22. **accidental damage;**
23. **mechanical and electrical breakdown.**

Regardless of the cause of loss, this Certificate will not pay the following additional costs incurred as a result of any loss:

1. extra expenses, programming, data reconstruction, data recovery (including contacts, ring tones and games);
2. software or hardware that is added after the original insured product purchase;
3. program installation or reconfiguration;
4. costs which are recoverable under the manufacturer's warranty or a separate service and repair program that covers the insured product.

CONDITIONS

Territory: The insured product will be covered anywhere in the world; however, losses will only be adjusted in, and repairs and replacements will only be provided in, the United States, its territories or possessions, and Canada.

Duties After Loss: In the event of loss or damage, which may become a claim under this Certificate, you are required to:

1. report all claims immediately. This Certificate only covers those claims reported within ninety (90) days of the date of the loss. To file a claim, you may call us toll-free at 1-866-866-6285 or visit us at www.myPHPinfo.com. A service representative will assist you by telephone and/or remote online support to diagnose the insured product's issue, file your claim, and if approved, arrange for any applicable repair or replacement of the insured product.
2. send to us, within thirty (30) days after our request, or as soon as practical, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
 - a. the date, time, and cause of loss;
 - b. specifications of the reported loss to the insured product.
3. protect the insured product from further damage.
4. notify your mobile service provider (if applicable) the loss and disable the insured product.



- 5. submit to an examination under oath, as well as an examination of the **insured product** either by the **policyholder** or **us** if requested.
- 6. cooperate with **us** in the investigation or settlement of the claim.
- 7. satisfy any deductible applicable to **your insured product loss**.

- 3. provide a monetary settlement equal to the replacement **product** price, not to exceed the maximum replacement value of the **insured product** less any applicable deductible.

In the event of **loss** due to **theft**, vandalism or malicious mischief, a report of such **loss** must be made:

- 1. to the applicable police authority with jurisdiction; and
- 2. as soon as reasonably possible.

When **you** receive the replacement product, credit, or settlement, the original **insured product** will become **our** property. **You** are responsible for returning the original **insured product** to **us** including any subsequent shipping costs such as express or expedited shipping, or any reshipping expenses.

Failure to report the **loss** or file proof of **loss** as stated above may result in a denial of a claim under this Certificate.

Once **we** receive the original **insured product**, **we** will inspect the unit and validate that the reported **loss** is covered under this Certificate. Should **we** determine that the **loss** resulted from an exclusion to this Certificate, **we** will contact **you** with **our** findings and arrange either to:

Claim Settlement Method: If the **insured product** suffers a covered **loss**, **we** will, at **our** option, repair or replace the **insured product** within thirty (30) days of receipt of proof of **loss**. If **you** do not agree with **our** claims determination, **you** will receive the benefit **you** are entitled to receive within thirty (30) days after:

- 1. charge to **you** the difference between the price of the replacement **product**, credit, or settlement and the current market value of the original **insured product**; or
- 2. return to **you** the original **insured product** and charge **you** the price of the replacement **product**, credit, or monetary settlement; or
- 3. return to **you** the original **insured product** after **we** receive the replacement **product**, credit, or settlement. The returned replacement **product** must be in the same condition that **we** sent it to **you**.

- 1. a final agreement is reached between **you** and **us**;
- 2. a final judgment is entered against **us**; or
- 3. an arbitration award is entered in **your** favor.

In the event of a covered **loss**, **we** will not repair or replace the **insured product** unless **our** cost will exceed the deductible applicable to the covered **loss**.

Maximum Replacement Value: A per claim limit of U.S. \$1500.00 applies to each Covered **loss** to repair or replace the **insured product**.

Repair Location: Repairs to damaged **insured products** will be performed at an authorized repair center determined by **us**. Repairs shall normally be available and rendered during the regular working hours and work week of the **product** repair center.

Aggregate Limit of Liability: A maximum of two (2) **insured product** replacement(s) or repair(s) will be allowed in any one twelve (12) month period based on the date of first replacement or repair. No further replacement(s) or repair(s) will be provided for the remainder of this period.

Replacement Option: At **our** option, **we** may either:

- 1. replace the **insured product** with a new, refurbished, or certified replacement **product** of like kind and quality to the **insured product** at the time of **loss** if **we** are unable to repair the **insured product** or where the repair cost exceeds the current retail replacement value of the **insured product**. While **we** will try to accommodate specific replacement preferences such as device color, cosmetics, or features, this request is not guaranteed. The price of the replacement **product** shall not exceed the maximum replacement value of the **insured product** less any applicable deductible. If **we** replace the **insured product**, **we** will provide **you** with the replacement **product**; or
- 2. issue a credit equal to the replacement **product** price, not to exceed the maximum replacement value of the **insured product** less any applicable deductible. The credit, with **your** authorization, will be deposited in **your** account with the **policyholder** and may be used by **you** toward the purchase of any communications device of **your** choice; or

Reinstatement of Limit After Loss: The maximum replacement value will not be reduced by the settlement of any claim.

Deductible: **You** will be assessed a non-refundable deductible each time there is a claim settlement.

Deductible Schedule:

Please see the Deductible Schedule for **your** deductible amount.

	Group 1	Group 2	Group 3	Group 4	Group 5
Deductible	\$20	\$50	\$100	\$150	\$175

Unrecovered Equipment Fee: If the original **insured product** is not returned to **us** within ten (10) calendar days from the date **we** ship the replacement **product** to **you**, **we** will charge **you** a non-refundable Unrecovered Equipment Fee. Please see the Unrecovered Equipment Fee Schedule for **your** equipment group.

Unrecovered Equipment Fee Schedule:

	Group 1	Group 2	Group 3	Group 4	Group 5
Up to	\$200	\$300	\$500	\$700	\$900

Salvage: If we settle a claim on the insured product and the product owner or we recover the insured product:

1. the benefit of recovery will be ours up to the total value of our settlement; and
2. we will retain all salvage value of the recovered property until we have been fully reimbursed for our settlement.

Subrogation: If we become liable for payment under this Certificate, you will:

1. assign to us your rights of recovery against any:
 - a. person; or
 - b. organization;
2. give us whatever assistance that:
 - a. is in your power; and
 - b. we require to secure such rights; and
3. do nothing after the loss to prejudice our rights.

Waiver or Change of Certificate Provisions: A waiver or change of a provision of this Certificate must be in writing by us to be valid.

Assignment: This Certificate may not be assigned to another person or entity without our written consent. We will have no liability under this Certificate in the case of assignment without such written consent.

Other Insurance: This Certificate provides primary coverage in the event the insured product is insured under any other policy or certificate.

Legal Action Against Us: No legal action may be brought against us unless:

1. there has been full compliance with all of the terms and conditions of this Certificate; and
2. the action is brought within two (2) years after you have knowledge of the loss.

Certificate Cancellation by You: You may cancel this Certificate by:

1. mailing or delivering to us advance written notice of cancellation; or
2. returning the Certificate to us.

If you notify us within the first thirty (30) days from the effective date and no claims have been filed, we will cancel the Certificate as of the effective date and refund any premium paid to the policyholder.

If you notify us within the first thirty (30) days from the effective date and have submitted a claim against this Certificate, no refund will be made to the policyholder.

If you cancel this Certificate after the first thirty (30) days from the effective date, any unearned premium will be calculated pro rata and one day equals one month of earned premium. Any applicable refund will be paid to the policyholder.

If you cancel or do not renew your service with the policyholder for any reason or are no longer a member of the covered group, this constitutes cancellation of this Certificate by you. Any unearned premium will be calculated pro rata and refunded to the policyholder.

Certificate Cancellation by Us:

1. We may cancel or nonrenew this Certificate by mailing or delivering written notice stating the reason for cancellation or nonrenewal to your mailing address last known to us or as otherwise authorized by you, including the effective date of cancellation or nonrenewal at least:
 - a. thirty (30) days prior to the effective date of this Certificate if this Certificate has been in effect for sixty (60) days or less
 - b. sixty (60) days prior to the effective date of this Certificate if this Certificate has been in effect for more than sixty (60) days.

If we cancel or nonrenew, proof of mailing will be sufficient proof of notice. We will calculate any unearned premium pro rata and one day will equal one month earned premium. Any applicable refund will be refunded to the policyholder.

2. If this Certificate has been in effect for more than sixty (60) days, we may cancel or nonrenew only for one or more of the following reasons:
 - a. nonpayment of premium by the policyholder;
 - b. if this Certificate was obtained by misrepresentation or fraud;
 - c. any act which measurably increases the risk originally accepted;
 - d. you violate any terms and conditions of this Certificate;
 - e. certification to the Director of the state Department of Insurance of the loss of reinsurance by the insurer that provided coverage to us or a substantial part of the underlying risk insured;
 - f. a determination by the Director of the State Department of Insurance that the continuation of the Policy could place us in violation of the insurance laws of this state.

Termination: Coverage under this Certificate will terminate on the date of cancellation of the Policy or when you are no longer a member of the covered group. Any unearned premium will be calculated pro rata and refunded to the policyholder.

Continuous renewal: Contingent upon payment of the premium by the policyholder, the Certificate documents originally issued to you will remain in effect.

Concealment, Misrepresentation or Fraud: We will not pay for a loss if you at any time intentionally conceal or misrepresent a material fact concerning:

1. this Certificate;



- 2. the **insured product**, including the value of such **product** reported to us;
- 3. **your** interest in the **insured product**; or
- 4. a claim under this Certificate.

Physical Environment: You agree to take due care to maintain a physical environment (levels of temperature, humidity, dust) in keeping with the recommendations of the manufacturer of the **insured product**.

Arbitration: READ THE FOLLOWING ARBITRATION PROVISION ("PROVISION") CAREFULLY. IT LIMITS CERTAIN OF YOUR RIGHTS, INCLUDING YOUR RIGHT TO A JURY TRIAL AND TO OBTAIN REDRESS THROUGH COURTS.

As used in this arbitration provision, "**You**" and "**Your**" mean the **policyholder** or **policyholders**, insureds, or additional insureds, and all of his/her heirs, survivors, assigns and representatives. "**We**" and "**Us**" mean American Bankers Insurance Company of Florida.

Any and all claims, disputes, or controversies of any nature whatsoever (whether in contract, tort or otherwise), including statutory, common law, fraud (whether by misrepresentation or by omission) or other intentional tort, property, or equitable claims arising out of, relating to, or in connection with (1) this Policy or Certificate or any prior Policy or Certificate issued by **Us** to **You**, (2) any credit, loan or purchase transaction in connection with which this Policy or Certificate or any prior Policy or Certificate was issued by **Us** to **You**, or (3) the validity, scope, interpretation, or enforceability of this provision or of the entire Policy or Certificate ("claim"), shall be resolved by binding arbitration before a single arbitrator. Unless **You** and **We** mutually agree on an alternative, the arbitration will take place in the county and state where **You** live. All arbitrations shall be administered by the American Arbitration Association ("AAA") in accordance with its expedited procedures of the commercial arbitration rules of the AAA in effect at the time the claim is filed. The terms of this provision shall control any inconsistency between the AAA's rules and this provision. **You** may obtain a copy of the AAA's rules by calling 1-800-778-7879. Upon written request, **We** will advance to **You** either all or part of the fees of the AAA and of the arbitrator after **You** have been unsuccessful in obtaining a waiver of fees and costs from the AAA. The arbitrator will decide whether **You** or **We** will be responsible for these fees. The arbitrator shall apply relevant substantive federal and state law and applicable statutes of limitations and shall provide written, reasoned findings of fact and conclusions of law. This arbitration provision is part of a transaction involving interstate commerce and shall be governed by the Federal Arbitration Act, 9 U.S.C. § 1 *et seq.* **If any portion of this arbitration provision is deemed invalid or**

unenforceable, it shall not invalidate the remaining portions of the arbitration provision, except that in no event shall this arbitration provision be amended or construed to permit arbitration on behalf of a group or class. For the purpose of this arbitration provision, American Bankers Insurance Company of Florida shall be deemed to include all of its affiliates, successors and assigns, including but not limited to American Bankers Insurance Company of Florida, their respective principals, partners, officers and directors, and all of the dealers, licensees, agents, and employees of any of the foregoing entities. This arbitration provision shall inure to the benefit of and be binding on **You** and each of the aforementioned persons and entities. This provision shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Policy or Certificate.

No Class Actions/No Joinder of Parties: You agree that any arbitration proceeding will only consider **Your** claims. Claims by, or on behalf of, other individuals will not be arbitrated in any proceeding that is considering **Your** claims. **You** also agree that **You** will not join with others to bring claims in the same arbitration proceeding unless all such persons are named on **Your** Policy or Certificate.

YOU AND WE UNDERSTAND AND AGREE THAT BECAUSE OF THIS ARBITRATION PROVISION, NEITHER YOU NOR WE WILL HAVE THE RIGHT TO GO TO COURT EXCEPT AS PROVIDED ABOVE, OR TO HAVE A JURY TRIAL, OR TO PARTICIPATE AS ANY MEMBER OF A CLASS OF CLAIMANTS PERTAINING TO ANY CLAIM.

Liberalization: If we adopt any revision which would broaden the coverage under this Certificate without additional premium within sixty (60) days prior to, or during the coverage period, the broadened coverage will immediately apply to this Certificate.

Changes: Certificate documents originally issued will remain in effect unless revised documents are issued to **you**. **We** retain the right to revise the Certificate at any time and adjust the coverage terms including the premium and the deductible. In the event of a material change, **you** will be provided at least thirty (30) days' advance written notice of such changes. **You** may cancel coverage at any time without penalty, but if the **policyholder** continues to pay premiums after a change in premiums, coverage terms or the deductible, **you** will be bound by those changes.

Conformity to Statute: **We** agree that any terms of this Certificate not in compliance with applicable law are conformed to comply with such laws. If any portions of this Certificate are deemed invalid or unenforceable, it shall not invalidate the remaining portions of this Certificate.

American Bankers Insurance Company of Florida

A Stock Insurance Company

Administrative Office: 11222 Quail Roost Drive, Miami, FL 33157-6596 • 305.253.2244

COMMUNICATION DEVICE PROTECTOR MANDATORY AMENDATORY ENDORSEMENT NORTH DAKOTA

THIS ENDORSEMENT AMENDS THE CERTIFICATE. PLEASE READ IT CAREFULLY.

Under **CONDITIONS**, Certificate Cancellation by Us, is deleted and replaced with the following:

1. We may cancel or nonrenew this Certificate by mailing or delivering written notice stating the reason for cancellation or nonrenewal to **your** mailing address last known to **us** or as otherwise authorized by **you**, including the effective date of cancellation or nonrenewal at least:
 - a. thirty (30) days prior to the effective date of this Certificate if this Certificate has been in effect for sixty (60) days or less.
 - b. sixty (60) days prior to the effective date of this Certificate if this Certificate has been in effect for more than sixty (60) days.

If we cancel or nonrenew, proof of mailing will be sufficient proof of notice. We will calculate any unearned premium pro rata and one day will equal one month earned premium. Any applicable refund will be refunded to the **policyholder**.

2. If this Certificate has been in effect for sixty (60) days or more, we may cancel only for one or more of the following reasons:
 - a. nonpayment of premium by the **policyholder**;
 - b. misrepresentation or fraud of a material fact in obtaining or pursuing a claim under the Certificate;
 - c. actions that substantially increased or substantially changed the risk insured;
 - d. refusal to eliminate known conditions that increase the potential for loss after notification by **us** that the condition must be removed;
 - e. substantial change in the risk assumed;
 - f. loss of reinsurance;
 - g. a determination by the Commissioner of Insurance that the continuation of the Certificate would place **us** in violation of the law.

ALL OTHER TERMS AND CONDITIONS OF THE CERTIFICATE REMAIN THE SAME.



JUMP TERMS AND CONDITIONS

THE JUMP PROGRAM IS GOVERNED BY THE TERMS AND CONDITIONS SET FORTH HEREIN. C-WORK SOLUTIONS LP, WITH OFFICES AT 625 WILLOW SPRINGS LANE, YORK, PA 17406 ("CWORK"), IS ENTERING INTO A BINDING AGREEMENT WITH "YOU", THE PARTICIPATING SUBSCRIBER. PLEASE READ THESE TERMS AND CONDITIONS CAREFULLY TO UNDERSTAND YOUR RIGHTS AND OBLIGATIONS FOR PARTICIPATING IN JUMP. IF YOU PARTICIPATE IN THE JUMP PROGRAM, YOU AGREE TO THE TERMS AND CONDITIONS OUTLINED BELOW (THE "AGREEMENT").

I. Program Description (Generally). The JUMP program is a premium upgrade program for T-Mobile USA, Inc. (T-Mobile Puerto Rico LLC if you are a Puerto Rico customer) (collectively "T-Mobile") customers who (i) have purchased a T-Mobile Device authorized to be used on T-Mobile's network ("Device") with an Equipment Installment Plan Agreement with T-Mobile or its assignee Creditor ("Equipment Installment Plan (EIP) Agreement"); and (ii) purchase a new Device, under an EIP Agreement from a participating T-Mobile store ("T-Mobile Upgrade"). When You trade in Your Eligible Device for a T-Mobile Upgrade, CWork will remit, to T-Mobile or its assignee Creditor, subject to this Agreement, an amount equal to the current outstanding balance due on the EIP Agreement associated with the Eligible Device ("JUMP Program").

II. Representations. By enrolling in the JUMP Program You represent and warrant that You:

- a) are over the age of eighteen (18) (21 years old or legally emancipated if you are a Puerto Rico customer) and are free to enter into this Agreement;
b) lawfully own the Eligible Device;
c) understand that when You trade in Your Eligible Device for the JUMP benefit, You surrender ownership rights to the Eligible Device and CWork is under no obligation to return the Eligible Device to You; and
d) agree to provide CWork with the information necessary to remit to T-Mobile or its assignee Creditor the amount equal to the current outstanding balance due on the EIP Agreement relevant to the Eligible Device.

III. Applicability. This Agreement is supplemental to, and separate from any service agreement(s) or other terms and conditions You have with T-Mobile including, but not limited to, Your wireless Services Agreement, T-Mobile Terms and Conditions, and the EIP Agreement (collectively the "T-Mobile Agreements") and The Premium Handset Protection Terms and Conditions and Wireless Equipment Insurance Program Certificate (Equipment Protection Program if you are a Puerto Rico customer) (collectively "PHP Terms"). To the extent that these Terms and Conditions conflict with any other provision of any other terms and conditions of the T-Mobile Agreements, the provision(s) in the T-Mobile Agreements shall apply.

IV. In order to be eligible to receive benefits under the JUMP Program, You must satisfy the following eligibility requirements.

- a) Program Eligibility. You must have an eligible wireless service plan, have purchased an Eligible Device from T-Mobile under an EIP Agreement, be enrolled in the JUMP Program no later than fourteen (14) days from purchase date of the Eligible Device or at such other times as may be identified, and regularly pay Your monthly JUMP Program charge when due. You must also be current and in good standing with Your (i) PHP Terms; and (ii) T-Mobile Agreements.
b) Device Eligibility. The Eligible Device must (i) match the IMEI identified on the EIP Agreement, or at CWork's discretion any replacements provided by T-Mobile, the manufacturer, or by the administrator in accordance with the PHP Terms; and (ii) power on and have its hardware and software operating in a manner consistent with the original Manufacturer's specifications, and neither have a cracked screen nor water damage ("Good Working Order") as determined by CWork in its reasonable discretion ("Eligible Device"). You must also have paid at least 50% of Your Device cost for the Eligible Device.

V. Program Term. The JUMP Program is a month-to-month program and Your right to receive benefits afforded under JUMP is contingent upon Your continued Program Eligibility. Your participation in the JUMP Program is continuous until cancelled pursuant to Section XI.

VI. Requesting Program Benefits. You may request Your JUMP benefits in a manner that T-Mobile makes available to you, which may change from time to time. These may include: a) going to a participating T-Mobile location; b) calling T-Mobile Care at 1-800-937-8997 (1-888-440-4846 for Puerto Rico customers) and telling the representative You wish to upgrade under the JUMP Program; or c) upgrading via the T-Mobile website at www.t-mobile.com. Web upgrades are not available for Puerto Rico customers. You must then trade-in Your Eligible Device via one of the available channels pursuant to the process below.

VII. Trade-In and Evaluation Process. To trade in Your Eligible Device under the JUMP Program, You must surrender the Eligible Device and its battery to CWork via one of the available channels, which may include In-Store, Self-Ship or other as identified by T-Mobile from time to time. If In-Store or Self-Ship options are available, You must surrender the Eligible Device as follows:

In-Store: If You conduct Your T-Mobile Upgrade at a participating T-Mobile store and an authorized T-Mobile representative determines that Your Eligible Device is in Good Working Order, You will turn over Your Eligible Device to T-Mobile. CWork will then remit to T-Mobile an amount equal to the outstanding balance due for the Eligible Device under the EIP Agreement at the time T-Mobile approves its condition for credit to Your T-Mobile account. If the T-Mobile representative reasonably determines that the Eligible Device is not in Good Working Order, You may file a claim for a replacement Device under the PHP Terms. If the claim is approved and You have paid the applicable deductible amount, You may use the new Eligible Device as Your trade-in Device for Your JUMP benefit. The replacement Device's IMEI will be updated on Your EIP Agreement. If You file a claim that is approved and completed under PHP and begin the T-Mobile Upgrade process using Your replacement Eligible Device under the JUMP Program, the claim will count towards the PHP program's benefit limits.

Self-Ship: If You conduct Your T-Mobile Upgrade at a participating T-Mobile Store and decide either to turn in Your Eligible Device at a later time, or process Your trade-in over the phone, or process Your trade-in online (the online trade-in option is not available for Puerto Rico customers), You must ship Your Eligible Device to CWork per the directions provided to You. Your Eligible Device must be properly shipped to avoid damage during transit; CWork may make adjustments to the trade-in value based upon evaluation of quality and condition on receipt. Subject to the terms in this Agreement, CWork will remit to T-Mobile or its Assignee Creditor an amount equal to the outstanding balance due under the EIP Agreement for Your Eligible Device at the time it is received and approved by CWork. You will receive a T-Mobile bill credit for the trade-in value within three (3) billing cycles.

If You ship a Device that matches the IMEI on Your EIP Agreement directly to CWork for trade-in under the JUMP Program, but CWork finds that it is not in Good Working Order, the Device will not be considered an Eligible Device. We will contact You and assist You with filing a claim for a replacement Device under the PHP Terms. If the claim is approved and You have paid the applicable deductible, You may use the replacement Device to trade in for Your JUMP benefit. IF YOU CHOOSE NOT TO FILE A CLAIM, THE DEVICE WILL NOT BE RETURNED TO YOU.

If You ship a Device to CWork and the IMEI does not match the one identified on Your EIP Agreement, it is not an Eligible Device, shipping it to CWork will not entitle You to any JUMP Program benefits, and THE DEVICE WILL NOT BE RETURNED TO YOU. Your shipment of such Device to CWork constitutes Your agreement to T-Mobile's Device Recovery Program ("DRP") Terms and Conditions. Please see the DRP Terms and Conditions at www.t-mobile.com for details.

VIII. Benefit Limit for New York Residents. If Your PHP coverage terminates, Your JUMP enrollment ends, and You will lose any unused JUMP benefits. Any JUMP benefits available to You must be used prior to receiving a replacement Device on the second approved claim for the Eligible Device during a 12-month period. See PHP Terms for details. You may re-enroll in JUMP when You become eligible again as set out in Section IV.

IX. Your Obligation to Protect Your Private and Personal Information. It is Your sole responsibility to protect or secure any information on Your Device. You are responsible for removing data and personal information, which includes, but is not limited to, SIM cards, memory cards, passwords, contacts, emails, pictures or calendars. Consult Your Users Guide to learn how to erase or remove such information. You may keep Your removable memory card. You are also obligated to reset Your Device to factory settings and disable any passwords or locking features such as Find My iPhone. If you fail to do so, it will not be eligible for trade-in.

X. Transferability and Availability. This Agreement is non-transferable. The JUMP Program is available only in the United States and Puerto Rico, excluding Guam.

XI. Cancellation. You may cancel the JUMP Program at any time for any reason by mailing a request for cancellation or calling 1-800-937-8997 (1-888-440-4846 for Puerto Rico customers). If You cancel Your wireless service with T-Mobile for any reason, including nonpayment or if T-Mobile cancels Your wireless service, this constitutes cancellation of Your participation in the JUMP Program.

If You or CWork cancel Your enrollment in the JUMP Program for any reason, You are no longer eligible for JUMP Program benefits or coverage under Premium Handset Protection (Equipment Protection Program in Puerto Rico) for the Eligible Device and may not re-enroll the same Eligible Device at a later date. See Your PHP Terms for details about Your Premium Handset Protection (Equipment Protection Program in Puerto Rico).

CWork has the right to cancel Your JUMP Program benefits for cause, including, without limitation, in case of fraud or misrepresentation in any way by You, substantial breach of duties by You, or failure to maintain Your T-Mobile Agreements in good standing.

Your participation in the JUMP Program is subject to our business policies, practices, and procedures, which we can change without notice. CWork reserves the right to modify this Agreement or to cancel Your participation in the JUMP Program at any time, at Our sole discretion. If We materially change the JUMP Program or a term in this Agreement in a manner that is materially adverse to You, We will provide You with at least 30 days' written notice of the effective date of the change. In the event the JUMP Program is cancelled (other than for cause) and You are currently eligible, You may receive one benefit under the JUMP Program prior to the effective date of the cancellation. No refunds will be provided. Cancellation will be effective even if You do not use the JUMP benefit.

XII. Waiver of Liability. IN NO EVENT SHALL CWORK OR T-MOBILE OR THEIR RESPECTIVE AGENTS, AFFILIATES, OFFICERS OR EMPLOYEES BE LIABLE TO YOU FOR ANY INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, INDIRECT, SPECIAL, OR PUNITIVE DAMAGES arising out of, from, or related to Your participation in the JUMP Program regardless of the form of action (including, but not limited to, negligence) and regardless as to whether CWork or T-Mobile has been advised of the possibility of any such loss or damage. In the event a court of competent jurisdiction finds this Section unenforceable, You agree that the extent of CWork's or T-Mobile's liability shall be no more than One Hundred Dollars (\$100.00).

XIII. Independent Contractor. This Agreement and the JUMP Program in no way constitutes or gives rise to a partnership, joint venture or other relationship between CWork and T-Mobile. CWork operates under these terms and conditions as an independent contractor and not as an agent for T-Mobile.

XIV. Indemnity. You agree to indemnify and hold CWork and T-Mobile and their respective parent, subsidiaries, affiliates, officers, directors, agents, and employees harmless from any claim or demand, including reasonable attorneys' fees, made by any third party due, connected to, or arising out of Your breach of this Agreement, Your acts or omissions, or Your violation of any law or the rights of any third party.

XV. Dispute Resolution. You understand that T-Mobile is not a party to this Agreement, and that any disputes You may have with T-Mobile are governed by Your agreement(s) with T-Mobile including without limitation the Dispute Resolution and Arbitration provision set forth in Section 2 of Your standard terms and conditions with T-Mobile.

XVI. Arbitration Provision. READ THE FOLLOWING ARBITRATION PROVISION ("PROVISION") CAREFULLY. IT LIMITS CERTAIN OF YOUR RIGHTS, INCLUDING YOUR RIGHT TO OBTAIN RELIEF OR DAMAGES THROUGH COURT ACTION. As used in this Provision, "You" and "Your" mean the person or persons named in this Program, and all of his/her heirs, survivors, assigns and representatives. "We" and "Us" shall mean the Program provider identified above and shall be deemed to include all of its agents. Any and all claims, disputes, or controversies of any nature whatsoever (whether in contract, tort or otherwise, including statutory, common law, fraud [whether by misrepresentation or by omission] or other intentional tort, property, or equitable claims) arising out of, relating to, or in connection with: (1) this Program or any prior Program, and the purchase thereof; and/or (2) the validity, scope, interpretation, or enforceability of this Provision or of the entire Program ("Claim"), shall be resolved by binding arbitration before a single arbitrator (except as to Puerto Rico customers). All arbitrations shall be administered by the American Arbitration Association ("AAA") in accordance with its Expedited Procedures of the Commercial Arbitration Rules of the AAA in effect at

the time the Claim is filed. The terms of this Provision shall control any inconsistency between the AAA's Rules and this Provision. You may obtain a copy of the AAA's Rules by calling 1-800-778-7879. Upon written request, We will advance to You either all or part of the fees of the AAA and of the arbitrator. The arbitrator will decide whether You or We will be responsible for these fees. The arbitrator shall apply relevant substantive law and the applicable statute of limitations and shall provide written, reasoned findings of fact and conclusions of law. The arbitration shall be held at a location selected by Us within the state in which this Program was purchased. This Provision is part of a transaction involving interstate commerce and shall be governed by the Federal Arbitration Act, 9 U.S.C. § 1 *et seq.* **IF ANY PORTION OF THIS PROVISION IS DEEMED INVALID OR UNENFORCEABLE, IT SHALL NOT INVALIDATE THE REMAINING PORTIONS OF THE PROVISION, EXCEPT THAT IN NO EVENT SHALL THIS PROVISION BE AMENDED OR CONSTRUED TO PERMIT CLASS ARBITRATION OR ARBITRATION ON BEHALF OF ANY INDIVIDUAL OTHER THAN YOU.** This Provision shall inure to the benefit of and be binding on You, Your assignees, and Us and shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Program. You agree that any arbitration proceeding will only consider Your Claims. Claims by or on behalf of other individuals will not be arbitrated in any proceeding that is considering Your Claims. **YOU AND WE UNDERSTAND AND AGREE THAT BECAUSE OF THIS PROVISION, NEITHER YOU NOR WE WILL HAVE THE RIGHT, EXCEPT AS MAY BE PROVIDED ABOVE, TO GO TO COURT, OR TO HAVE A JURY TRIAL, OR TO PARTICIPATE AS ANY MEMBER OF A CLASS OF CLAIMANTS PERTAINING TO ANY CLAIM.**

Puerto Rico customers: We will provide you with a determination regarding any dispute that is presented to us in our store, in writing, or by phone at 1-877-281-9767 within fifteen (15) days after we receive it. You will have twenty (20) days from the mailing date of the notification to request reconsideration of our determination's result. You may appeal our resolution's determination to the Telecommunications Regulatory Board ("Telecommunications Board") by filing a petition for review up to thirty (30) days after the date of our determination. Your petition for review shall be made through the filing of a document containing the following information: (a) your name and address; (b) our company name; (c) the pertinent facts; (d) any applicable legal provisions that you are aware of; and (e) the remedy you are requesting. The document may be filed handwritten or typewritten, and must be signed by you. You must send us a copy of your document to the following address: CWork, 625 Willow Springs Lane, York, PA 17406, Attn.: Customer Service Manager and to T-Mobile Puerto Rico LLC, 654 Muñoz Rivera Avenue, Suite 2000, Hato Rey, Puerto Rico 00918, Attn.: Customer Care Manager. You must send your petition for review to the Telecommunications Board at the following address: 500 Ave. Roberto H. Todd (Pda. 18 - Santurce), San Juan, Puerto Rico 00907-3941. The Telecommunications Board will review our determination only on appeal. You are advised of the provisions regarding suspension of Service that appear in Law 33 of July 7, 1985, Law 213 of September 12, 1996, and Regulation 8065 promulgated by the Telecommunications Board regarding the procedures for customer's dispute resolution and suspension of Services. You are also advised of Regulation 7848 promulgated by the Telecommunications Board regarding general practices and procedures before such agency.

XVII. Notice. You expressly consent to be contacted, for any and all purposes, at any telephone number, or physical or electronic address You provide at the time of Your JUMP enrollment. All notices or requests pertaining to these terms and conditions will be in writing and may be sent by any reasonable means including; e.g., by mail, email, facsimile, text message or recognized commercial overnight courier. Notices to You are considered delivered when sent to Your Device or by email or fax number You provided, or three (3) days after mailing to Your billing address.

XVIII. Waiver; Severability. The failure of any party to require performance by the other party of any provision hereof will not affect the full right to require such performance at any time thereafter; nor will the waiver by either party of a breach of any provision hereof be taken or held to be a waiver of the provision itself. In the event that any provision of these terms and conditions will be unenforceable or invalid under any applicable law or be so held by applicable court decision, such unenforceability or invalidity will not render these terms and conditions unenforceable or invalid as a whole and in such event, such provisions will be changed and interpreted so as to best accomplish the objectives of such unenforceable or invalid provision within the limits of applicable law or applicable court decisions.





Important information about your device protection

00000007-2oz



Valued Customer

July 07, 2014
Device Mobile # [REDACTED]

AWSFF402TND

Exceptional protection to **keep you connected.**



Premium Handset Protection® for Pay-In-Advance customers

Your device can be the center of your world—helping you connect to everything around you. So making sure it's protected is important.



Worry-free protection **when you need it.**

Premium Handset Protection* for Pay-In-Advance customers has you covered in case your device experiences any of the following:

- Accidental damage (including liquid damage)
- Mechanical or electrical breakdown (after the manufacturer's warranty expires)
- Loss
- Theft

Filing a claim is **easy!**

If you would like to file a claim, please visit myPHPinfo.com 24 hours a day, 7 days a week to get started.

Enjoy your device **and leave the rest to us.**

You can rest easy knowing that your device can be replaced quickly and easily once your claim is approved. **Please take a moment to review the enclosed details about your plan benefits.** You made a great choice, so enjoy your device because you're protected should you need it.

Keep your enclosed coverage forms, as well as this welcome letter, handy in case you need to file a claim.



* Please remember to activate your coverage by sending or receiving a call, sending a text, or accessing data on the device (not using Wi-Fi). In all states except NY, you will be the Certificateholder on T-Mobile's Insurance Policy for Loss and Theft coverage benefits. T-Mobile pays for these benefits on your behalf. Program provided by the Assurant Solutions companies identified in the enclosed forms.



#4



The protection you need.
The peace of mind you deserve.

If you need to file a claim or would like to check the status of an existing claim, simply visit

myPHPinfo.com

Here are a few quick tips to make your claims process easy:

- Only the primary account holder may file a claim.
- You should file your claim within 90 days of the incident.**
- Have your information ready
 - Your device's mobile number
 - Device manufacturer, make and model
 - Electronic Serial Number (ESN) or IMEI
 - Credit card/debit card/eCheck to pay the deductible
- Please note, in certain instances additional documentation may be required in order to process your claim.
- If your device is lost, stolen, accidentally damaged or malfunctions:
 - Simply visit **myPHPinfo.com** 24 hours a day, 7 days a week.
 - You may also call **1-866-866-6285** and a Customer Service Representative will work with you to process your claim.

** Maximum of two approved claims within a 12-month period. Limit of \$1,500 per occurrence. Premium Handset Protection covers the device and certain accessories, when required. Damaged or malfunctioning devices must be returned within 10 days of receiving replacement device; otherwise you will be charged an unrecovered equipment fee of up to \$900. Certain losses not covered; see coverage documents for details.

T-Mobile and the magenta color are registered trademarks of Deutsche Telekom AG. Premium Handset Protection is a registered trademark of T-Mobile USA, Inc.





T-Mobile® deductible and fee schedule*

Monthly Charge: \$8 per device

Find your device and corresponding deductible below. If your device is not listed here, please visit myPHPinfo.com, or call 1-866-866-6285 to determine which deductible applies to your device.

Deductible: \$20 per claim

Unrecovered Equipment Fee: up to \$200

Alcatel ONETOUCH Evolve

Huawei Sonic 4G Hotspot

T-Mobile Sonic 2.0 Mobile HotSpot

ZTE Concord V768

Deductible: \$50 per claim

Unrecovered Equipment Fee: up to \$300

Alcatel ONETOUCH Fierce

Huawei Prism II

Huawei Summit

Nokia Lumia 521

Samsung LTE Mobile HotSpot PRO

Deductible: \$100 per claim

Unrecovered Equipment Fee: up to \$500

Google Nexus 7

LG MyTouch E739

LG Optimus F3 P659

LG Optimus F6 D500

RIM 9315

Samsung Galaxy Exhibit T599

Samsung Galaxy Exhibit 4G T679

Samsung Galaxy LIGHT T399

Deductible: \$150 per claim

Unrecovered Equipment Fee: up to \$700

Apple iPhone 4

Apple iPhone 5C 16 GB

HTC Sensation 4G

LG G2 D801

LG Nexus 4

LG Nexus 5

Nokia Lumia 925

Samsung Galaxy S 4G

Samsung Galaxy S Blaze 4G

Samsung Galaxy S II

Samsung Galaxy S III LTE

Samsung Galaxy Tab II 10.1

Sony Xperia Z

Sony Xperia Z1S

Deductible: \$175 per claim

Unrecovered Equipment Fee: up to \$900

Apple iPad Air

Apple iPad Mini Retina

Apple iPhone 5C 32GB

Apple iPhone 5S

HTC One

LG G Flex D959

Samsung Galaxy Note II

Samsung Galaxy Note III

Samsung Galaxy S4

Samsung Galaxy S5

* A \$20, \$50, \$100, \$150 or \$175 deductible will apply for approved accidental damage, loss or theft claims depending on the device. T-Mobile is a registered trademark of Deutsche Telekom AG. All marks associated with the devices listed herein are the property of their respective owners.



T-MOBILE DEVICE PROTECTION PLUS DECLARATIONS PAGE

PRODUCT OWNER:

Valued Customer

PRODUCT COVERED DESCRIPTION – MAKE/MODEL		COVERAGE START DATE 12:01 a.m. Standard time at the address shown above		COVERAGE END DATE 12:01 a.m. Standard time at the address shown above	
Refer to T-Mobile Service Agreement		JUN 18 2014		Monthly Renewable	
SERIAL NUMBER		PRODUCT PURCHASE DATE		MAXIMUM REPLACEMENT VALUE	
Refer to T-Mobile Service Agreement		Refer to T-Mobile Service Agreement		\$1500.00	
COVERAGE PURCHASED	PRICE	DEDUCTIBLE	SERVICE FEE	UNRECOVERED EQUIPMENT FEE	SHIPPING AND HANDLING FEE
T-Mobile Device Protection Plus	\$8.00	See T-Mobile deductible and fee schedule	\$0.00	See T-Mobile deductible and fee schedule	N/A
The maximum number of repairs or replacements is two (2) during a twelve (12) month period. No further replacements will be provided for the remainder of this period. There are no repairs or replacement limits for mechanical and electrical breakdown losses during the term of this Service Contract.					
For service contact: 1-866-866-6285 or visit Us at www.myPHPinfo.com					

THIS COVERAGE IS SUBJECT TO CONDITIONS AND PROVISIONS SET FORTH ON THIS PAGE AND THE ENCLOSED DOCUMENTS. PLEASE READ THEM CAREFULLY.



T-MOBILE DEVICE PROTECTION PLUS SERVICE CONTRACT TERMS AND CONDITIONS

This Service Contract is not a contract of insurance.

This Service Contract is issued in conformance with these terms and conditions. The Service Contract includes the Declarations Page, Terms and Conditions, state specific Addendums and any other applicable Addendums. **This Service Contract must be made available for inspection when You require service.**

THIS SERVICE CONTRACT IS INCLUSIVE OF THE MANUFACTURER'S WARRANTY; IT DOES NOT REPLACE THE MANUFACTURER'S WARRANTY, BUT PROVIDES CERTAIN ADDITIONAL BENEFITS DURING AND BEYOND THE TERM OF THE MANUFACTURER'S WARRANTY. LOSSES COVERED BY THE MANUFACTURER DURING THE MANUFACTURER'S WARRANTY PERIOD ARE NOT COVERED UNDER THIS SERVICE CONTRACT.

You/Your means the owner of the Product covered under this Service Contract.

Service Contract Provider/We/Us/Our means the entity that is contractually obligated to You under the terms of this Service Contract. The Service Contract Provider is Federal Warranty Service Corporation, P.O. Box 105689, Atlanta, GA 30348-5689, 1-877-881-8578 in all states except in California where the Service Contract Provider is Sureway, Inc. P.O. Box 105689, Atlanta, GA 30348-5689, 1-877-881-8578; in Florida where the Service Contract Provider is **United Service Protection, Inc.**, 11222 Quail Roost Drive, Miami, FL 33157, 1-877-881-8578; in Oklahoma where the Service Contract Provider is Assurant Service Protection, Inc., P.O. Box 105689, Atlanta, GA 30348-5689, 1-877-881-8578 and in Massachusetts and New Jersey where the Service Contract Provider is the entity from which You purchased Your Product.

Service Contract Administrator means the entity responsible for the administration of this Service Contract. The Service Contract Administrator is The Signal, 676 E. Swedesford Road, Suite 300, Wayne, PA 19087 in all states, except in Oklahoma where the Service Contract Administrator is The Signal, L.P., 676 E. Swedesford Road, Suite 300, Wayne, PA 19087; and in Wisconsin where the Service Contract Administrator is Federal Warranty Service Corporation, 676 E. Swedesford Road, Suite 300, Wayne, PA 19087.

Service Contract Seller is T-Mobile USA, Inc., 12920 SE 38th Street, Bellevue, WA 98006, the entity that sold the Service Contract to You.

Product means Your covered T-Mobile USA, Inc. communications device, including any standard accessories such as the device battery, wall charger, car charger, and SIM card included with Your Product purchase at no extra cost and as listed on the Declarations Page, or at Our discretion, any replacements provided by T-Mobile USA, Inc., manufacturer, or by Us, under this Service Contract.

Service Contract means this Service Contract, which You have purchased to cover the Product described on the Declarations Page.

Price means the consideration paid for by You for this Service Contract.

COVERAGE TERM:

If You purchased this Service Contract at the same time You purchased Your Product, this Service Contract will take effect immediately and will cover Your Product up to the coverage end date on the Declarations Page or until cancelled by either You or Us.

If You purchased this Service Contract on a date later than the purchase of Your Product, this Service Contract will take effect immediately after the purchase of the Service Contract and will cover Your Product up to the coverage end date or until cancelled by either You or Us. Please see Your coverage start date and coverage term on the Declarations Page for Your coverage specifics.

WHAT IS COVERED:

T-MOBILE DEVICE PROTECTION – This Service Contract provides repair or replacement coverage for Product hardware failures due to normal wear and tear. Should We repair Your Product, We will restore its hardware and preloaded manufacturer's software functionality to the manufacturer's written specifications.

T-MOBILE DEVICE PROTECTION PLUS – This Service Contract provides repair or replacement coverage for Product hardware failures due to normal wear and tear including accidental damage (such as drops, liquid spills, and cracks). Should We repair Your Product, We will restore its hardware and preloaded manufacturer's software functionality to the manufacturer's written specifications.

IF YOU NEED SERVICE:

All claims must be reported as soon as reasonably possible. This Service Contract covers only those claims reported within ninety (90) days of the date of the Product's failure.

TELEPHONE HARDWARE AND SOFTWARE SUBSCRIBER ASSISTANCE: To arrange for service, call the toll free number or visit Us at the website indicated on the Declarations Page. A service representative will assist You by telephone and/or remote online support to diagnose any technical difficulties that may exist with Your Product's hardware or preloaded manufacturer's software. To the extent that Our telephone diagnosis confirms a covered hardware failure, We will process Your claim and arrange for any applicable service of Your Product. Our level of technical service does not support customized or proprietary software, applications not included by the manufacturer of Your Product at no additional cost, or software errors that confirm improperly functioning or defective software. Additionally, this Service Contract does not provide education on how to utilize or perform tasks using any type of software program, preloaded or other.

SERVICE LOCATION: Repairs will be performed at an authorized repair center determined by Us. Service will be available and rendered during the regular working hours and workweek of the product repair centers. If Your Product requires an approved repair more than once within a sixty (60) day period, service must be completed by the original repair center.

REPLACEMENT OPTION: At Our option, following Our telephone diagnosis, We will either:

- 1) Replace Your Product with a new, refurbished, or recertified product of like kind and quality if We are unable to repair Your Product or if the repair cost exceeds the current retail replacement value of Your Product. While We will try to accommodate specific replacement preferences such as equipment color, cosmetics, or features, this request is not guaranteed. The price of the replacement product shall not exceed the maximum replacement value of the original Product less any applicable deductible. If We replace Your Product, We will ship the replacement product to You; or
- 2) Issue a cash credit equal to the value of the replacement product, not to exceed the maximum replacement value of the original Product less any applicable deductible. The cash credit, with Your authorization, will be deposited in Your account with T-Mobile USA, Inc. and may be used by You toward the purchase of any eligible replacement product of Your choice; or
- 3) Provide a settlement equal to the value of the replacement product, not to exceed the maximum replacement value of the original Product less any applicable deductible.

When You receive either the replacement product, cash credit, or settlement, the damaged/unreparable Product becomes Our property. You are responsible for returning the damaged/unreparable Product to Us and any subsequent shipping costs such as express or expedited shipping, or any reshipping expenses.

Once We receive the damaged/unreparable Product, We will inspect the Product and validate that the reported hardware failure is covered under this Service Contract. Should We determine that the failure resulted from an Exclusion in this Service Contract, We will contact You with Our findings and arrange either to:

- 1) Charge to You the difference between the value of the replacement product, cash credit, or settlement and the current market value of the damaged/unreparable Product; or
- 2) Return the Product to You and charge You the value price of the replacement product, cash credit, or settlement; or
- 3) Return the Product to You after We receive the replacement product, cash credit, or settlement. The returned replacement product must be in the same condition that We sent it to You.

DELAYS: We will exercise reasonable efforts in providing service under this Service Contract, but We will not be liable for any damages arising out of delays; and in no event will We be liable for any consequential damages.

PARTS: Materials furnished as replacements for parts will be drawn from Our service contractor's inventory of new or rebuilt parts and components. These materials will be furnished under provisions of the manufacturer's warranty while still in effect and then by Our service contractor during the remainder of the term of coverage.

MANUFACTURER'S WARRANTY: During the manufacturer's warranty period, the manufacturer will pay for items covered under its expressed warranty; and We will pay for other covered items herein, not covered by the manufacturer's warranty. If You should call for service on an item covered under the manufacturer's warranty We will refer Your call to the manufacturer.

EXCLUSIONS:

T-MOBILE DEVICE PROTECTION excludes: any loss, repair or replacement necessitated by acts of God; accidental, consequential, incidental or intentional damage; misuse, abuse, neglect, or services (or damages caused) by non-authorized repair personnel; pre-existing conditions known to You that occurred prior to the coverage start date; rust, corrosion, spilled liquids, insect infestation or fire; theft or burglary, mysterious disappearance, vandalism, transport, riot, environmental conditions, sand, dirt, damage from exposure to weather conditions, power reductions or fluctuations; loss or damage to or of antennas, external housing, or casings that



does not affect the mechanical or electrical function of the Product; loss or damage to stored data (including contacts, ring tones, and games), repairs related to computer viruses, or software that is added after the original Product purchase; "no problem found" diagnosis or any defects that are subject to a manufacturer's warranty; claims for any loss caused by the use of the Product in a manner not recommended by the Manufacturer; claims arising from any breach of implied or expressed warranty of merchantability or fitness of the Product from the manufacturer.

T-MOBILE DEVICE PROTECTION PLUS excludes: any loss, repair or replacement necessitated by acts of God; consequential, incidental or intentional damage; misuse, abuse, neglect, or services (or damages caused) by non-authorized repair personnel; pre-existing conditions known to You that occurred prior to the coverage start date; rust, corrosion, insect infestation or fire; theft or burglary, mysterious disappearance, vandalism, transport, riot, environmental conditions, sand, dirt, damage from exposure to weather conditions, power reductions or fluctuations; loss or damage to or of antennas, external housing, or casings that does not affect the mechanical or electrical function of the Product; loss or damage to stored data (including contacts, ring tones, and games), repairs related to computer viruses, or software that is added after the original Product purchase; "no problem found" diagnosis or any defects that are subject to a manufacturer's warranty; claims for any loss caused by the use of the Product in a manner not recommended by the Manufacturer; claims arising from any breach of implied or expressed warranty of merchantability or fitness of the Product from the manufacturer.

WHAT YOU MUST DO: In order to keep this Service Contract in force during the coverage term, You must maintain the Product in accordance with the service requirements set forth by the manufacturer's specifications, including cleaning and maintenance. It is Your responsibility to protect the Product from further damage and comply with the owner's manual. You must notify the Service Contract Administrator in writing if Your address changes.

INELIGIBLE FOR COVERAGE: This Service Contract does not provide any service for property held in inventory or property held as Your stock in trade. Enrollment in this Service Contract is only available for new communications devices under manufacturer's warranty or, at Our discretion, certified reconditioned communications devices.

CANCELLATION: You may cancel this Service Contract at any time for any reason by mailing a request for cancellation or calling the Service Contract Administrator at the toll free number indicated on the Declarations Page.

If You cancel this Service Contract within the first thirty (30) days of the coverage start date, and the Price has been paid, no claims have been paid, the contract is void and You will receive a full refund. In the event this Service Contract is cancelled after thirty (30) days or within the first thirty (30) days and You have made a claim, We will refund to You the unearned pro rata Price, less any claims paid up to the date of cancellation. If this Service Contract was inadvertently sold to You on a product which was not intended to be covered by this Service Contract, We will cancel this Service Contract and return the full Price to You. If You cancel, We are not responsible to provide You with written notice of cancellation.

If You cancel or do not renew Your service with T-Mobile USA, Inc. for any reason, including nonpayment, this constitutes cancellation of the Service Contract by You, subject to the terms and conditions of this Service Contract.

We may cancel this Service Contract within the first sixty (60) days for any reason. After sixty (60) days, We may only cancel this Service Contract for (1) nonpayment of the Price; (2) fraud or material misrepresentation; or (3) substantial breach of duties by You. If We cancel due to fraud, material misrepresentation or a substantial breach of duties by You, We will provide You with written notice, with the reason for cancellation, at Your last known mailing or email address (depending on Your chosen form of communication) at least thirty (30) days before cancellation. We will refund the unearned pro-rata Price less any claims paid, except as otherwise required by law.

DEDUCTIBLE (if applicable): You will be assessed a non-refundable deductible as shown on the Declarations Page each time a repair or replacement is completed.

SHIPPING AND HANDLING FEE (if applicable): You are responsible for payment of a non-refundable Shipping and Handling Fee each time a repair or replacement is shipped as shown on the Declarations Page.

UNRECOVERED EQUIPMENT FEE (if applicable): If the damaged/unrepairable Product is not returned to Us within ten (10) calendar days from the date We ship the replacement product to You, We will charge to You the non-refundable Unrecovered Equipment Fee listed on the Declarations Page.

We reserve the right to collect any Fee due to Us under this Service Contract prior to issuing a replacement product, cash credit, or settlement.

TRANSFER: This Service Contract is not transferable.

RENEWAL: For monthly term programs, We reserve the right to change the provisions of this Service Contract (including Price and Deductible) upon giving You at least thirty (30) days written notice prior to the date of renewal. For term programs, We may, at Our option, renew this Service Contract; however, We are not obligated to offer You another Service Contract

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upon the coverage end date of this Service Contract or to accept a Service Contract renewal, in the event You tender one. If the Service Contract is renewed, We reserve the right to change the provisions of this Service Contract (including Price and Deductible) upon giving You at least thirty (30) days written notice prior to the date of renewal.

ARBITRATION:

READ THE FOLLOWING ARBITRATION PROVISION ("PROVISION") CAREFULLY. IT LIMITS CERTAIN OF YOUR RIGHTS, INCLUDING YOUR RIGHT TO OBTAIN RELIEF OR DAMAGES THROUGH COURT ACTION.

As used in this Provision, "You" and "Your" mean the person or persons named in this Service Contract, and all of his/her heirs, survivors, assigns and representatives. "We" and "Us" shall mean the Service Contract Provider identified above and shall be deemed to include all of its agents.

Any and all claims, disputes, or controversies of any nature whatsoever (whether in contract, tort or otherwise, including statutory, common law, fraud (whether by misrepresentation or by omission) or other intentional tort, property, or equitable claims) arising out of, relating to, or in connection with (1) this Service Contract or any prior Service Contract, and the purchase thereof; and (2) the validity, scope, interpretation, or enforceability of this Provision or of the entire Service Contract ("Claim"), shall be resolved by binding arbitration before a single arbitrator. All arbitrations shall be administered by the American Arbitration Association ("AAA") in accordance with its Expedited Procedures of the Commercial Arbitration Rules of the AAA in effect at the time the Claim is filed. The terms of this Provision shall control any inconsistency between the AAA's Rules and this Provision. You may obtain a copy of the AAA's Rules by calling (800) 778-7879. Upon written request We will advance You either all or part of the fees of the AAA and of the arbitrator. The arbitrator will decide whether You or We will be responsible for these fees. The arbitrator shall apply relevant substantive law and applicable statute of limitations and shall provide written, reasoned findings of fact and conclusions of law. The arbitration shall be held at a location selected by Us within the state in which this Service Contract was purchased. This Provision is part of a transaction involving interstate commerce and shall be governed by the Federal Arbitration Act, 9 U.S.C. § 1 *et seq.* **If any portion of this Provision is deemed invalid or unenforceable, it shall not invalidate the remaining portions of the Provision, except that in no event shall this Provision be amended or construed to permit class arbitration or arbitration on behalf of any individual other than You.** This Provision shall inure to the benefit of and be binding on You and Us and its Provision shall continue in full force and effect subsequent to and notwithstanding the expiration of termination of this Service Contract.

You agree that any arbitration proceeding will only consider Your Claims. Claims by, or on behalf of, other individuals will not be arbitrated in any proceeding that is considering Your Claims.

You and We Understand and agree that because of this PROVISION neither You nor Us will have the right to go to court except as provided above or to have a jury trial or to participate as any member of a class of claimants pertaining to any claim.

To review the General Privacy Policy of Federal Warranty Service Corporation, Assurant Service Protection, Inc., Sureway, Inc., and United Service Protection Inc., Assurant Solutions Companies, please visit <http://www.assurantsolutions.com/privPolGeneral.html>.



American Bankers Insurance Company of Florida

A Stock Insurance Company

Administrative Office: 11222 Quail Roost Drive, Miami, FL 33157-6596 • 305.253.2244

COMMUNICATION DEVICE PROTECTOR CERTIFICATE OF INSURANCE

INSURING AGREEMENT

We agree to provide coverage for **your** communications device(s) that are eligible and enrolled for coverage, subject to the terms and conditions set forth in this Certificate, the Group Policy ("Policy"), **your** purchase receipt or **your** service agreement and any endorsements attached to this Certificate. Information about **your** coverage effective date, term, and **insured product** is included in **your** purchase receipt or the service agreement **you** entered into with the **policyholder** or **your** coverage confirmation.

A copy of the Policy under which this Certificate is issued is available for **your** inspection by contacting **us** at: 1-866-866-6285.

DEFINITIONS

"**Accidental Damage**" means an unexpected and unintentional external event that results in physical damage to the **insured product**, including spilled liquids. The damage shall not be foreseeable and shall be beyond **your** control or the control of anyone **you** entrusted with the **insured product**.

"**Computer Virus**" means any program, applications, scripts or code intended to contaminate or destroy data. It includes but is not limited to any of the following: self-replicating viruses, worms, trojans, logic bombs, spyware or other malware. It does not mean defect or programming errors, such as the inability of a program to process any naturally occurring calendar date.

"**Group**" means **product owners** who enroll in and **we** accept for coverage under the Policy and who also maintain **mechanical and electrical breakdown** coverage for the **product** under a service and repair program approved by **us**.

"**Group Policyholder**" ("**Policyholder**") means T-Mobile USA, Inc., the organization that holds the Group Policy.

"**Insured Product**" ("**Product**") means any of the following items:

1. **your** new or reconditioned T-Mobile USA, Inc. communications device(s) as listed on **your** T-Mobile USA, Inc. purchase receipt/service agreement/coverage confirmation or registered by **you** with (and approved by) **us**;
2. any replacement communication device of like kind and quality provided by the **policyholder**, the manufacturer, or **us** under this Certificate;
3. any upgrade technology of like kind and quality provided by **us** under this Certificate or purchased by **you** and approved by **us**; and

4. any standard accessories included with the original purchase of the communications device, including the device battery, SIM card, and wall charger.

"**Loss**" means an occurrence of a Covered Cause of Loss, including but not limited to continuous or repeated exposure to substantially the same general harmful conditions to the **insured product** while this Certificate is in force.

"**Mechanical and Electrical Breakdown**" mean the failure of the **insured product** due to a hardware part malfunction caused by normal wear and tear when operated according to the manufacturer's instructions. **Mechanical and electrical breakdown** does not include standard accessories provided with the original **insured product** purchase.

"**Mysterious Disappearance**" means the disappearance of the **insured product** without **your** knowledge as to place, time or manner of its **loss**.

"**Nuclear Hazard**" means any nuclear reaction or radiation or any radioactive contamination from any other cause.

"**Pre-existing Condition**" means failures or defects which **you** should have reasonably known to be present prior to the effective date of this Certificate.

"**Product Owner**," "**You**," and "**Your**" mean the person or entity whose **insured product** is covered by this Certificate.

"**Theft**" means the unlawful taking or removing of the **insured product** without **your** consent and with the intent to deprive **you** of the **insured product**. This includes burglary and robbery.

"**We**," "**Us**," and "**Our**" mean American Bankers Insurance Company of Florida.

WHEN COVERAGE IS EFFECTIVE

If **you** were provided this coverage at the same time **you** purchased **your insured product**, this coverage will take effect 12:01 a.m. on the date **you** purchased **your insured product** and will cover **your insured product** through the coverage term or until cancelled by either **you** or **us**.

If **you** were provided this coverage on a date later than the purchase of **your insured product**, this coverage will take effect immediately after we validate **your insured product's** conditions and will cover **your insured product** through the coverage term or until cancelled by either **you** or **us**.

To be eligible for coverage under this Certificate, **you** must be a member of the **group**. **Your** coverage under this Certificate

begins upon our approval. If approved, your coverage is retroactive to the date the coverage was provided by the policyholder. Should we disapprove your coverage, we will notify you in writing within thirty (30) days and refund to the policyholder any premium paid.

For month-to-month coverage, you also must be an active customer of the policyholder to be covered under this Certificate.

COVERED CAUSES OF LOSS

We will cover the insured product against direct and sudden loss, damage, or failure caused by:

1. fire or lightning;
2. windstorm or hail;
3. explosion or smoke;
4. riot or civil commotion;
5. aircraft or vehicles;
6. marine perils while on ferries and/or in cars or transfers in connection with land conveyances;
7. volcanic eruption;
8. vandalism or malicious mischief;
9. **theft;**
10. **mysterious disappearance.**

EXCLUSIONS

We will not pay for loss to an insured product caused by or resulting from:

1. acts of God not listed in the Covered Causes of Loss provision;
2. consequential, incidental or intentional damage caused by you;
3. misuse, abuse, neglect by you or anyone entrusted with the insured product;
4. **pre-existing conditions;**
5. rust, corrosion, mold, dust, sand, dirt, or damage from exposure to environmental conditions;
6. insect infestation;
7. "no problem found" diagnosis or any defects that are subject to a manufacturer's warranty;
8. claims arising from any breach of implied or expressed warranty of merchantability or fitness of the insured product from the manufacturer or issues related to a manufacturer's recall;
9. error or omission in design or system configuration, faulty construction or any original defect in the insured product;
10. depreciation or obsolescence;
11. failure to follow manufacturer's maintenance recommendations;
12. delay or loss of market, loss of income or interruption of business;
13. intentional and/or dishonest acts by you, or anyone else with an interest in the insured product or anyone entrusted with the insured product;
14. voluntary parting with the insured product by you or anyone entrusted with the insured product, including if induced to do so by any fraudulent scheme, trick, device or false pretense;

15. war, including undeclared or civil war, insurrection, rebellion, revolution; warlike act of a military force, including action in hindering or defending against an actual or expected attack, by government, sovereign or other authority using military personnel or other agents;
16. **nuclear hazard;**
17. non-authorized repair or service, or an error in programming or instructions, or damages caused by non-authorized repair personnel;
18. illegal trade or confiscation by any governmental authority;
19. **computer viruses;**
20. **loss to property held in inventory or held as stock in trade;**
21. **cosmetic damage that does not affect functionality of the insured product;**
22. **accidental damage;**
23. **mechanical and electrical breakdown.**

Regardless of the cause of loss, this Certificate will not pay the following additional costs incurred as a result of any loss:

1. extra expenses, programming, data reconstruction, data recovery (including contacts, ring tones and games);
2. software or hardware that is added after the original insured product purchase;
3. program installation or reconfiguration;
4. costs which are recoverable under the manufacturer's warranty or a separate service and repair program that covers the insured product.

CONDITIONS

Territory: The insured product will be covered anywhere in the world; however, losses will only be adjusted in, and repairs and replacements will only be provided in, the United States, its territories or possessions, and Canada.

Duties After Loss: In the event of loss or damage, which may become a claim under this Certificate, you are required to:

1. report all claims immediately. This Certificate only covers those claims reported within ninety (90) days of the date of the loss. To file a claim, you may call us toll-free at 1-866-866-6285 or visit us at www.myPHPinfo.com. A service representative will assist you by telephone and/or remote online support to diagnose the insured product's issue, file your claim, and if approved, arrange for any applicable repair or replacement of the insured product.
2. send to us, within thirty (30) days after our request, or as soon as practical, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
 - a. the date, time, and cause of loss;
 - b. specifications of the reported loss to the insured product.
3. protect the insured product from further damage.
4. notify your mobile service provider (if applicable) of the loss and disable the insured product.



5. submit to an examination under oath, as well as an examination of the **insured product** either by the **policyholder** or **us** if requested.
6. cooperate with **us** in the investigation or settlement of the claim.
7. satisfy any deductible applicable to **your insured product loss**.

In the event of **loss** due to **theft**, vandalism or malicious mischief, a report of such **loss** must be made:

1. to the applicable police authority with jurisdiction; and
2. as soon as reasonably possible.

Failure to report the **loss** or file proof of **loss** as stated above may result in a denial of a claim under this Certificate.

Claim Settlement Method: If the **insured product** suffers a covered **loss**, we will, at our option, repair or replace the **insured product** within thirty (30) days of receipt of proof of **loss**. If you do not agree with our claims determination, you will receive the benefit you are entitled to receive within thirty (30) days after:

1. a final agreement is reached between you and us;
2. a final judgment is entered against us; or
3. an arbitration award is entered in your favor.

In the event of a covered **loss**, we will not repair or replace the **insured product** unless our cost will exceed the deductible applicable to the covered **loss**.

Repair Location: Repairs to damaged **insured products** will be performed at an authorized repair center determined by us. Repairs shall normally be available and rendered during the regular working hours and work week of the **product** repair center.

Replacement Option: At our option, we may either:

1. replace the **insured product** with a new, refurbished, or certified replacement **product** of like kind and quality to the **insured product** at the time of **loss** if we are unable to repair the **insured product** or where the repair cost exceeds the current retail replacement value of the **insured product**. While we will try to accommodate specific replacement preferences such as device color, cosmetics, or features, this request is not guaranteed. The price of the replacement **product** shall not exceed the maximum replacement value of the **insured product** less any applicable deductible. If we replace the **insured product**, we will provide you with the replacement **product**; or
2. issue a credit equal to the replacement **product** price, not to exceed the maximum replacement value of the **insured product** less any applicable deductible. The credit, with your authorization, will be deposited in your account with the **policyholder** and may be used by you toward the purchase of any communications device of your choice; or

3. provide a monetary settlement equal to the replacement **product** price, not to exceed the maximum replacement value of the **insured product** less any applicable deductible.

When you receive the replacement **product**, credit, or settlement, the original **insured product** will become our property. You are responsible for returning the original **insured product** to us including any subsequent shipping costs such as express or expedited shipping, or any reshipping expenses.

Once we receive the original **insured product**, we will inspect the unit and validate that the reported **loss** is covered under this Certificate. Should we determine that the **loss** resulted from an exclusion to this Certificate, we will contact you with our findings and arrange either to:

1. charge to you the difference between the price of the replacement **product**, credit, or settlement and the current market value of the original **insured product**; or
2. return to you the original **insured product** and charge you the price of the replacement **product**, credit, or monetary settlement; or
3. return to you the original **insured product** after we receive the replacement **product**, credit, or settlement. The returned replacement **product** must be in the same condition that we sent it to you.

Maximum Replacement Value: A per claim limit of U.S. \$1500.00 applies to each Covered **loss** to repair or replace the **insured product**.

Aggregate Limit of Liability: A maximum of two (2) **insured product** replacement(s) or repair(s) will be allowed in any one twelve (12) month period based on the date of first replacement or repair. No further replacement(s) or repair(s) will be provided for the remainder of this period.

Reinstatement of Limit After Loss: The maximum replacement value will not be reduced by the settlement of any claim.

Deductible: You will be assessed a non-refundable deductible each time there is a claim settlement.

Deductible Schedule:

Please see the Deductible Schedule for your deductible amount.

	Group 1	Group 2	Group 3	Group 4	Group 5
Deductible	\$20	\$50	\$100	\$150	\$175

Unrecovered Equipment Fee: If the original **insured product** is not returned to us within ten (10) calendar days from the date we ship the replacement **product** to you, we will charge you a non-refundable Unrecovered Equipment Fee. Please see the Unrecovered Equipment Fee Schedule for your equipment group.

Unrecovered Equipment Fee Schedule:

	Group 1	Group 2	Group 3	Group 4	Group 5
Up to	\$200	\$300	\$500	\$700	\$900

Salvage: If we settle a claim on the **insured product** and the **product owner** or we recover the **insured product**:

1. the benefit of recovery will be **ours** up to the total value of **our** settlement; and
2. **we** will retain all salvage value of the recovered property until **we** have been fully reimbursed for **our** settlement.

Subrogation: If we become liable for payment under this Certificate, **you** will:

1. assign to **us** **your** rights of recovery against any:
 - a. person; or
 - b. organization;
2. give **us** whatever assistance that:
 - a. is in **your** power; and
 - b. **we** require to secure such rights; and
3. do nothing after the **loss** to prejudice **our** rights.

Waiver or Change of Certificate Provisions: A waiver or change of a provision of this Certificate must be in writing by **us** to be valid.

Assignment: This Certificate may not be assigned to another person or entity without **our** written consent. **We** will have no liability under this Certificate in the case of assignment without such written consent.

Other Insurance: This Certificate provides primary coverage in the event the **insured product** is insured under any other policy or certificate.

Legal Action Against Us: No legal action may be brought against **us** unless:

1. there has been full compliance with all of the terms and conditions of this Certificate; and
2. the action is brought within two (2) years after **you** have knowledge of the **loss**.

Certificate Cancellation by You: **You** may cancel this Certificate by:

1. mailing or delivering to **us** advance written notice of cancellation; or
2. returning the Certificate to **us**.

If **you** notify **us** within the first thirty (30) days from the effective date and no claims have been filed, **we** will cancel the Certificate as of the effective date and refund any premium paid to the **policyholder**.

If **you** notify **us** within the first thirty (30) days from the effective date and have submitted a claim against this Certificate, no refund will be made to the **policyholder**.

If **you** cancel this Certificate after the first thirty (30) days from the effective date, any unearned premium will be calculated pro rata and one day equals one month of earned premium. Any applicable refund will be paid to the **policyholder**.

If **you** cancel or do not renew **your** service with the **policyholder** for any reason or are no longer a member of the covered **group**, this constitutes cancellation of this Certificate by **you**. Any unearned premium will be calculated pro rata and refunded to the **policyholder**.

Certificate Cancellation by Us:

1. **We** may cancel or nonrenew this Certificate by mailing or delivering written notice stating the reason for cancellation or nonrenewal to **your** mailing address last known to **us** or as otherwise authorized by **you**, including the effective date of cancellation or nonrenewal at least:
 - a. thirty (30) days prior to the effective date of this Certificate if this Certificate has been in effect for sixty (60) days or less
 - b. sixty (60) days prior to the effective date of this Certificate if this Certificate has been in effect for more than sixty (60) days.

If **we** cancel or nonrenew, proof of mailing will be sufficient proof of notice. **We** will calculate any unearned premium pro rata and one day will equal one month earned premium. Any applicable refund will be refunded to the **policyholder**.

2. If this Certificate has been in effect for more than sixty (60) days, **we** may cancel or nonrenew only for one or more of the following reasons:
 - a. nonpayment of premium by the **policyholder**;
 - b. if this Certificate was obtained by misrepresentation or fraud;
 - c. any act which measurably increases the risk originally accepted;
 - d. **you** violate any terms and conditions of this Certificate;
 - e. certification to the Director of the state Department of Insurance of the loss of reinsurance by the insurer that provided coverage to **us** or a substantial part of the underlying risk insured;
 - f. a determination by the Director of the State Department of Insurance that the continuation of the Policy could place **us** in violation of the insurance laws of this state.

Termination: Coverage under this Certificate will terminate on the date of cancellation of the Policy or when **you** are no longer a member of the covered **group**. Any unearned premium will be calculated pro rata and refunded to the **policyholder**.

Continuous renewal: Contingent upon payment of the premium by the **policyholder**, the Certificate documents originally issued to **you** will remain in effect.

Concealment, Misrepresentation or Fraud: **We** will not pay for a **loss** if **you** at any time intentionally conceal or misrepresent material fact concerning:

1. this Certificate;



- 2. the **insured product**, including the value of such **product** reported to us;
- 3. **your** interest in the **insured product**; or
- 4. a claim under this Certificate.

Physical Environment: You agree to take due care to maintain a physical environment (levels of temperature, humidity, dust) in keeping with the recommendations of the manufacturer of the **insured product**.

Arbitration: **READ THE FOLLOWING ARBITRATION PROVISION ("PROVISION") CAREFULLY. IT LIMITS CERTAIN OF YOUR RIGHTS, INCLUDING YOUR RIGHT TO A JURY TRIAL AND TO OBTAIN REDRESS THROUGH COURTS.**

As used in this arbitration provision, "**You**" and "**Your**" mean the **policyholder** or **policyholders**, insureds, or additional insureds, and all of his/her heirs, survivors, assigns and representatives. "**We**" and "**Us**" mean American Bankers Insurance Company of Florida.

Any and all claims, disputes, or controversies of any nature whatsoever (whether in contract, tort or otherwise), including statutory, common law, fraud (whether by misrepresentation or by omission) or other intentional tort, property, or equitable claims arising out of, relating to, or in connection with (1) this Policy or Certificate or any prior Policy or Certificate issued by Us to **You**, (2) any credit, loan or purchase transaction in connection with which this Policy or Certificate or any prior Policy or Certificate was issued by Us to **You**, or (3) the validity, scope, interpretation, or enforceability of this provision or of the entire Policy or Certificate ("claim"), shall be resolved by binding arbitration before a single arbitrator. Unless **You** and **We** mutually agree on an alternative, the arbitration will take place in the county and state where **You** live. All arbitrations shall be administered by the American Arbitration Association ("AAA") in accordance with its expedited procedures of the commercial arbitration rules of the AAA in effect at the time the claim is filed. The terms of this provision shall control any inconsistency between the AAA's rules and this provision. **You** may obtain a copy of the AAA's rules by calling 1-800-778-7879. Upon written request, **We** will advance to **You** either all or part of the fees of the AAA and of the arbitrator after **You** have been unsuccessful in obtaining a waiver of fees and costs from the AAA. The arbitrator will decide whether **You** or **We** will be responsible for these fees. The arbitrator shall apply relevant substantive federal and state law and applicable statutes of limitations and shall provide written, reasoned findings of fact and conclusions of law. This arbitration provision is part of a transaction involving interstate commerce and shall be governed by the Federal Arbitration Act, 9 U.S.C. § 1 *et seq.* **If any portion of this arbitration provision is deemed invalid or**

unenforceable, it shall not invalidate the remaining portions of the arbitration provision, except that in no event shall this arbitration provision be amended or construed to permit arbitration on behalf of a group or class. For the purpose of this arbitration provision, American Bankers Insurance Company of Florida shall be deemed to include all of its affiliates, successors and assigns, including but not limited to American Bankers Insurance Company of Florida, their respective principals, partners, officers and directors, and all of the dealers, licensees, agents, and employees of any of the foregoing entities. This arbitration provision shall inure to the benefit of and be binding on **You** and each of the aforementioned persons and entities. This provision shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Policy or Certificate.

No Class Actions/No Joinder of Parties: **You** agree that any arbitration proceeding will only consider **Your** claims. Claims by, or on behalf of, other individuals will not be arbitrated in any proceeding that is considering **Your** claims. **You** also agree that **You** will not join with others to bring claims in the same arbitration proceeding unless all such persons are named on **Your** Policy or Certificate.

YOU AND WE UNDERSTAND AND AGREE THAT BECAUSE OF THIS ARBITRATION PROVISION, NEITHER YOU NOR WE WILL HAVE THE RIGHT TO GO TO COURT EXCEPT AS PROVIDED ABOVE, OR TO HAVE A JURY TRIAL, OR TO PARTICIPATE AS ANY MEMBER OF A CLASS OF CLAIMANTS PERTAINING TO ANY CLAIM.

Liberalization: If we adopt any revision which would broaden the coverage under this Certificate without additional premium within sixty (60) days prior to, or during the coverage period, the broadened coverage will immediately apply to this Certificate.

Changes: Certificate documents originally issued will remain in effect unless revised documents are issued to **you**. **We** retain the right to revise the Certificate at any time and adjust the coverage terms including the premium and the deductible. In the event of a material change, **you** will be provided at least thirty (30) days' advance written notice of such changes. **You** may cancel coverage at any time without penalty, but if the **policyholder** continues to pay premiums after a change in premiums, coverage terms or the deductible, **you** will be bound by those changes.

Conformity to Statute: **We** agree that any terms of this Certificate not in compliance with applicable law are conformed to comply with such laws. If any portions of this Certificate are deemed invalid or unenforceable, it shall not invalidate the remaining portions of this Certificate.

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American Bankers Insurance Company of Florida

A Stock Insurance Company

Administrative Office: 11222 Quail Roost Drive, Miami, FL 33157-6596 • 305.253.2244

COMMUNICATION DEVICE PROTECTOR MANDATORY AMENDATORY ENDORSEMENT NORTH DAKOTA

THIS ENDORSEMENT AMENDS THE CERTIFICATE. PLEASE READ IT CAREFULLY.

Under **CONDITIONS**, Certificate Cancellation by Us, is deleted and replaced with the following:

1. We may cancel or nonrenew this Certificate by mailing or delivering written notice stating the reason for cancellation or nonrenewal to your mailing address last known to us or as otherwise authorized by you, including the effective date of cancellation or nonrenewal at least:
 - a. thirty (30) days prior to the effective date of this Certificate if this Certificate has been in effect for sixty (60) days or less.
 - b. sixty (60) days prior to the effective date of this Certificate if this Certificate has been in effect for more than sixty (60) days.

If we cancel or nonrenew, proof of mailing will be sufficient proof of notice. We will calculate any unearned premium pro rata and one day will equal one month earned premium. Any applicable refund will be refunded to the policyholder.

2. If this Certificate has been in effect for sixty (60) days or more, we may cancel only for one or more of the following reasons:
 - a. nonpayment of premium by the policyholder;
 - b. misrepresentation or fraud of a material fact in obtaining or pursuing a claim under the Certificate;
 - c. actions that substantially increased or substantially changed the risk insured;
 - d. refusal to eliminate known conditions that increase the potential for loss after notification by us that the condition must be removed;
 - e. substantial change in the risk assumed;
 - f. loss of reinsurance;
 - g. a determination by the Commissioner of Insurance that the continuation of the Certificate would place us in violation of the law.

ALL OTHER TERMS AND CONDITIONS OF THE CERTIFICATE REMAIN THE SAME.

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Testimony on Amendment to HB 1384
Senate Industry Business & Labor Committee
March 16, 2015

Good morning Mr Chairman and members of the Senate Industry Business & Labor Committee.

My name is Evan Mandigo, State Executive for the ND Association of Independent Insurance Agents of ND.

I am speaking today in opposition to the amendment language proposed by Ms Kelsch. It is hard to know where to begin counting the reasons we oppose the amendment, but I will take a shot. We are in kind of an unusual position. We oppose an amendment to a bill we do not like. It is because we think the amendment will make 1384 much worse.

Let's see if I understand it. The amendment allows the merchant who sells a portable electronic device to pay the premium for the customer as an inducement to purchase cell phone service. Folding it into a so-called "service agreement" does not alter the reality waived insurance premium is an inducement to contract for cell phone service from a particular provider.

That fits with my understanding of rebating according to Chapter 26.1 of the NDCC. I am paraphrasing, but if an agent of an insurer pays any part of a client's premium, it is rebating. Our members are bound by the literal language of the rebating law in the Century Code. Folks selling Portable Electronic Insurance should too. It makes no difference if we are talking about portable electronics, life insurance, homeowners, or business insurance. Rebating is not permissible under ND law.

Next, premium cost has to be clearly disclosed in any insurance transaction. The amendment language gives the merchant wiggle room not to disclose with the "if any" phrase if it applies to insurance premium. Premium disclosure is a bedrock

principle of ND insurance law. Failure to disclose or segregate premium is a big reason the portable electronic insurance bill went down in flames last session. We wholeheartedly support full disclosure of insurance cost in all insurance transactions. I suspect the Insurance Department has heartburn with the disclosure issue but they can speak to it more eloquently than I.

Our association is consistent in opposing the concept of allowing the sale of insurance without a licensed insurance agent at the point of sale as a matter of principle. We did so in 2013 and the bill failed in the Senate. We opposed 1384 with our testimony in the House for the same reason. We elected not to testify last week in this committee, but are no less opposed to the concept.

This amendment is a solution looking for a problem. Actually, I think it is a solution that creates a problem. If adopted, it will change our association's position on 1384 in the Senate.

Mr Chairman and members of the committee, with all due respect to Ms Kelsch, this is a really bad idea and I urge the committee to defeat the amendment.

Prepared by the North Dakota
Insurance Department
March 17, 2015

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1384

Page 5, line 25, replace the second "the" with "any"

Page 5, line 26, remove "is"

Renumber accordingly