

SERVICE CONTRACT PROVIDER TEXAS ENDORSEMENT

"Notwithstanding any other definition, term, condition, limitation, exclusion, endorsement or other provision of this policy or any other insurance policy: (1) the Named Company shall reimburse or pay on behalf of the Insured (Provider) any covered amounts the Provider is legally obligated to pay or shall provide the service that the Provider is legally obligated to perform according to the Provider's contractual obligations under any insured service contract issued, or sold by the Provider during the term of this policy; (2) if the covered service is not provided to a service contract holder within 60 days of proof of loss, payment shall be made directly from the Named Company to the service contract holder or the Named Company shall provide the required service; (3) if a refund is not paid to the service contract holder's account as required by §1304.1581 and 1304.159, Texas Occupations Code, the Named Company, after receiving written notice, shall pay the refund amount directly to the service contract holder; and (4) the Named Company may not cancel this policy until the Named Company delivers to the Provider and the executive director of the Texas Department of Licensing and Regulation a written notice of cancellation that complies with the notice requirements prescribed by Subchapters B and C, Chapter 551, Texas Insurance Code, for cancellation of an insurance policy under those subchapters, and cancellation of this policy does not affect the Named Company's liability for a service contract issued by the Provider and insured under the policy before the effective date of the cancellation.

For the purposes of this endorsement, an "insured service contract" shall mean any service contract issued or sold by the Provider during the term of this policy, which shall be from the effective date of this policy until the effective date of cancellation of this policy. Any provision of this policy which limits in any way the Named Company's absolute obligation to reimburse or pay on behalf of the Provider any covered amounts or refunds the Provider is legally obligated to pay, or to provide any service that the Provider is legally obligated to provide or perform, under an insured service contract, is hereby amended to conform in all respects to the Provider's obligations to the service contract holder imposed by such service contract or by §1304.151 and §1304.152, Texas Occupations Code. Further, in the event that any provision of this policy cannot be amended to conform to the service contract or §1304.151 and §1304.152 as specified herein, such provision in this policy shall not apply to the Named Company's absolute obligations to the service contract holder, and the terms of the service contract shall control the determination of the Named Company's obligation to pay the service contract holder, not the provisions of this policy. Neither the Provider's failure to comply with a term of this policy nor any definition, term, condition, limitation, exclusion, endorsement, or other provision of this policy or any other policy shall relieve the Named Company from those obligations imposed on the Provider in the service contracts issued or sold by the Provider during the term of this policy. Similarly, no defense related to this policy that otherwise would be available to the Named Company against the Provider shall apply to or defeat the Named Company's obligations to pay or perform, on behalf of the Provider for the benefit of the service contract holder, as specified in any insured service contract.