

Product Activation Declarations and Pricing
Property Protection Contents CP 1500 (PPC-C1500)

Declarations

Product Activation is a new feature of the RentalGuardian.com system.

PROPERTY PROTECTION PROGRAMS

1. As you are aware, RentalGuardian.com is not an insurance company; it is an automated service platform that you, as a Subscriber, use to access various cost-effective protection solutions provided by multiple insurance companies. This multi-provider, multi-program access means you have stable protection programs you need for your business.

2. **Program Overview.** Under a policy delivered by PAC7 LLC, You the Subscriber (as defined in the Coverage Authorization Agreement executed between Subscriber and PAC7 LLC), on its own behalf and as the authorized rental property management representative of its legally-contracted vacation rental property homeowner Customers, Subscriber has elected to enroll in and be listed as an additionally-insured participant in a Property Protection Program (the "Program"). When the participation cost is paid by the Subscriber for a specific property rental occupancy (a "Covered Booking"), this Program reimburses certain of Subscriber's repair and/or replacement costs for unintentional accidental damage to Subscriber's real or personal property during a Covered Booking. With Subscriber's participation in this Program, Subscriber may elect to charge Covered Booking renter/guests a non-refundable administrative fee to defer Subscriber's costs for Program participation, and may also collect and hold refundable security deposits for Covered Bookings.

a. **Coverage and Benefits.** The Program covers a renter/guest's liability during a Covered Booking in the event a renter/guest unintentionally accidentally causes damage to the Subscriber's real or personal property. The amount of damage coverage extended to a renter/guest's Covered Booking varies depending upon the amount of desired coverage pre-selected by Subscriber, ranging between US\$500 and US\$3,000.

b. **Exclusions and Limitations.** Coverage is only in effect for the Covered Booking time period, and is limited to losses that occur on or at the Covered Booking rental property. Damage to Subscriber's property caused by uninvited guests is excluded. The Program covers unintentional accidental damage, so intentional acts by Subscriber or the renter/guest (resulting in damage to Subscriber's property or the renter/guest's property) is not covered. The Program is not travel insurance, and offers no protection (or reimbursement) to guests for trip cancellation and interruption, transportation expenses or lost/stolen baggage.

Property damage that Subscriber may sustain as a result of natural disasters (earthquakes, floods, hurricanes, hail damage or wind damage) or other weather-related events are not covered by the Program. Also, property loss to Subscriber as a result of mysterious disappearance and/or normal wear and tear is not covered.

Subscriber's specific coverage terms, conditions, benefits, exclusions and limitations may be different subject to a specific policy issued directly to Subscriber by an underwriter, delivered by PAC7 LLC, and enabled via RentalGuardian.com.

c. **Claims Loss Management.** Claims losses will be monitored regularly, and coverage terms, conditions, benefits, exclusions and limitations may be subject to change as a result thereof.

3. To help protect your business, our experience with these multiple damage protection providers has informed us about which claims typically get approved, and which claims do not. Here some essential program conditions and recommendations:

a. Pet rules vary widely across the industry, so pet-related damages are excluded and claims not approved.

b. We suggest and recommend that you collect sufficient Pet Damage Deposits from renters, and plan to recover pet damage costs from those collected Deposits.

c. Special-event rules vary widely, so special-event-related damages (from parties, dances, arts/crafts, excess-capacity gatherings, excess horseplay, ball-play, et. al.) are excluded and claims not approved.

d. We suggest and recommend that you collect large-group or special-event Damage Deposits, and plan to recover related damage costs from those collected Deposits.

e. Under-25 rental rules vary widely across the industry, so damages from renter negligence and misconduct are rarely approved.

f. We suggest and recommend that you collect Security Deposits from higher-risk rentals, and plan to recover related damage costs from those collected Deposits.

g. Costs for damage to older, fragile or worn furniture/facilities/flooring are often age-depreciated, sometimes significantly; claims administrators generally do not approve full-new-price payment for older items or facilities. Structural repairs (flooring, walls, countertops, etc.) have \$1,000 maximum benefit. Damages to works of art have \$1,000 maximum benefit.

h. We suggest and recommend that you collect Security Deposits for rental of facilities, furniture, contents or amenities that are aged, fragile, worn, weather-damaged or in substandard condition or poor maintenance.

i. Whether or not you opt to collect these special situation damage/security deposits, we strongly recommend that you collect an alternative source of payment, such as a credit card, so that you can collect for damages that are not covered and denied by any claim you might submit.

j. Instruct your renters (i.e. in your Check-In / Welcome Package or Checklist) that they are obligated and responsible to immediately report rental damage to you, or else they will be held responsible for those damages. Claims for said damage should then be filed via the RentalGuardian.com system immediately thereafter. Prompt filing via RentalGuardian.com enables faster processing of claims, and faster identification of renter liability and collection for excluded acts or denied

losses.

k. On your Rental Check-In / Welcome Package Checklist, we suggest and recommend that you include rental occupancy conduct requirements, including: "As you will be held financially responsible, and we will charge your Deposit or credit card, for resulting damage: (1) do not drag or move furniture, luggage or other damaging items across flooring, (2) do not place hot cooking utensils on countertops, (3) do not jump on or misuse furniture, etc...."

l. On the filing of Property Protection Program claims, because eventual claims adjudication decisions and awarded amounts are unknown at time of filing, for larger claims and those involving potential replacement of more costly items, we recommend submission of formal quotes/estimates with the initial claim filing, prior to actual expenditure before adjudication.

3. Not A Maintenance Program. The Property Protection Program is not a security-deposit waiver; it is a program supported by multiple participating underwriters that reimburses for certain unintentional accidental damage. The Property Protection Program is NOT a property or facility maintenance or replacement program; claims for the costs of repair or replacement of aged, fragile, worn-out, dilapidated, substandard-condition, or under-maintained real and personal property, are typically not covered and denied.

4. Claims Adjudication. Neither RentalGuardian.com nor its insurance agency provider PAC7 Insurance Agency LLC, have any claims adjudication authority: claims adjudication is entirely the responsibility of the underwriters and their designated third-party administrators.

5. Submit Estimates Before Making Expense. Under the Program, before a full replacement is authorized, claimant is obligated to provide adequate evidence that a damaged item could not be repaired. Because eventual claims adjudication decisions and awarded amounts are unknown at time of filing, for larger claims and those involving potential replacement of more costly items, we recommend submission of formal quotes/estimates with the initial claim filing, prior to actual expenditure before claims adjudication.

6. Insured Party. Under the Property Protection Program your Company (and not the renter) is the insured-party and the coverage-holder. Therefore, NO individual coverage verification communications are ever sent to renters. And, damage claims will be filed by you and claims payments remitted to you. If you need to see information about a specific Property Protection Program Covered Booking, log into the RentalGuardian.com system, and Search using your Booking Number. To file a Property Protection Program Coverage claim, please see <http://pac7.com/faqs/filing-claims/> for instructions.

7. Administrative Fee. The funds that a purchasing renter may pay for your damage protection is an administrative fee you are charging them to reimburse you for your Program coverage costs. The fees you remit for a Covered Booking are your premiums for participation as an additionally-insured coverage-holder under this Program, remitted through to the various underwriter(s) for you by RentalGuardian.com.

8. Coverage Term. Each Property Protection Program Coverage term is 30 days per charge (or per-day when including the Liability option). So, longer-term stays will incur additional charges on days 31, 61, 91, etc. Please account for

this in any administrative fee you may charge your clients for your participation in this Program.

9. Rights of Inspection, Verification, Recovery, Salvage. Underwriters and/or their designated agents reserve the right to physically inspect claimed damages/losses, verify claimed damage/losses with renter/guest, and/or physically take possession of and salvage replaced and claim-reimbursed items.

10. Coverage Transaction Reporting Requirements (Filing On-Time, Accurate). Sales/referral transaction data completeness, accuracy and timeliness are Your Responsibility. Damage protection purchases must be reported prior to the Start Date of a Booking (this reporting is automatic if your data is submitted via API). If you submit transactions by spreadsheet:

a. **Future Month Booking.** If damage protection is purchased during a month for a future-month Booking (purchase in January for booking in February or beyond), it should be reported on that month-end (January) spreadsheet.

b. **Same Month Booking: Manual Input Required.** If damage protection is purchased during a month for a same-month Booking (purchase in February for a February booking, such as a walk-in) and the spreadsheet would be submitted after the Start Date of that Booking: *On or before the Booking Check-In date*, you need to log in to RentalGuardian.com and manually input the damage protection coverage purchase. Claims on late-reported damage protection coverages, if even accepted, are subject to significant additional scrutiny from claims administrators.

c. All renter address/contact information, trip total, trip dates, and destination address information is required.

d. Audit your damage protection data to ensure that no transactions are missing, or incomplete, and that reported transactions are accurate.

e. Full claims fulfillment cannot be completed if a policy transaction has not been submitted. Late filing of transactions... one or more months after sales transaction date... raises compliance concerns, and could expose you to unexpected liability.

11. Add this language to your Lease or Rental Agreement, and informational “Frequently Asked Questions”, Terms & Conditions, and/or other consumer disclosure materials:

Property Protection Program. Our properties and their contents are valuable and reasonable care should be taken with them during their rental. Our company, including the participating rental property homeowners we represent (“we”, “our”, “us”), is an additionally-insured participant in a Property Protection Program that reimburses certain costs for unintentional accidental damage to our properties during their rental occupancy. With our participation in this Program, except in certain circumstances, we may not collect and hold refundable pet, damage, or security deposits. We charge renters a non-refundable administrative fee to defer our costs for Program participation. If, during a renter’s occupancy, the renter or a member of renter’s party or renter’s guest causes any damage to real or personal property of our rental property as a result of unintentional accidental acts or omissions, the renter must notify our property management office at that

time, and before check-out. For rentals that exceed the coverage limits of the Program, we may collect a supplementary refundable (net of any damage reimbursement) security deposit from renter upon check-in. Renter is liable to us for any damages caused by the renter or a member of renter's party or renter's guest that are not reimbursed to us or exceed the maximum per-incident limit of our coverage, and the credit card on file and/or any collected security deposit will be charged. If the renter wishes to pay a refundable (net of any damage reimbursement) damage security deposit, renter must notify us before check-in. Special or large event and/or pet deposits may be charged in certain situations.

CONTACT INFORMATION

Licensing Questions: email Licensing@PAC7.com

Compliance Questions: email Compliance@PAC7.com

Coverage Overview: www.PAC7.com/products

Coverage Questions: email Info@PAC7.com

Training Requests: email Support@RentalGuardian.com

Accounting Questions: email FinanceAdmin@RentalGuardian.com

Version: 01 Jan 2016

Pricing Schedule

Name	Start Date	End Date	Retail Fixed	Retail Percent	Cost Fixed	Cost Percent	Pricing Id
Property Protection Contents CP 1500	01 APR 2016		\$45.00	0%	\$30.50	0%	60608

This information is subject to change. Please refer to full terms and conditions of selected coverage.

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