

Office of Legal Affairs



Heritage Administration  
Services, Inc.

Heritage Warranty  
Insurance, RRG

*Received  
7/21/04*

July 22, 2004

VIA U.S. MAIL

*Add to  
1008 3383*

San Antonio, Texas

RE: Service Contract No. HBB313037

Dear :

We are in receipt of and thank you for your letter dated July 21, 2004. An extensive investigation into this claim has been made. Sources of this investigation have included information from you, the adjuster's notes, as well as, the independent, third-party inspector conducted by Magoo's Automotive Consultant's Inc.

Your service contract commenced on April 25, 2001, with an odometer reading of 30,007 miles. Heritage received your first claim on June 21, 2002. Heritage was not able to participate in these repairs since the item was not listed as a covered component according to the verbiage of your service contract. Heritage received your second claim on July 15, 2004. Heritage was not able to participate in these repairs due to the following.

"Howard" from Car Pro advised that the vehicle was towed in and the tow bill states, "Vehicle died; would not turn over, would not start; would not crank. Found #3 and #6 cylinders full of coolant." Heritage advised the repair facility to get the customer's authorization for tear down and contact us with their complete cause of failure. The repair facility later contacted Heritage to advise that they have tear down but there are no signs of any type of intermix. A third-party, independent inspector from Magoo's Automotive Consultant's Inc. inspected said vehicle to confirm the cause of failure and extent of damages.

The inspector reported, "There is a failure of the intake manifold at the BGR tube location allowing coolant intrusion into the engine. This is evident by the condition of the #6 rod bearing showing the coolant intrusion. As the technician did not remove any other bearings the inspector could not verify any other bearing or crank damage." (Exhaust Gas Recirculation) Heritage advised that we could not participate in these repairs due to a non-covered component/emissions.

Please refer to your service contract under, "What Is Not Covered." It states, "Retrofits or replacements of any components caused by or due to compliance with law or legislation

*UAC  
AGJ  
8/20/04*

8055 "Q" Street  
Lincoln, Nebraska 68510

402.489.7777  
Facsimile 402.489.6256

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including the 1990 Clean Air Act, and including *emission control equipment and sensors.*"  
(emphasis added)

Please refer to the "Exclusions – What This Vehicle Service Contract Does Not Cover" section. It states, "A breakdown caused by *contamination of or lack of proper fuels, fluids, coolants, or lubricants, including a breakdown caused by a failure to replace seals or gaskets in a timely manner.*" (emphasis added) This was evidenced by the independent inspector's findings of "There is a burnt/melted area on the intake plenum where the BGR tube meets the intake manifold. There is a heavy amount of coolant lying on top of the engine in the intake area. There is evidence of coolant contamination seen on the bearing surface."

Additionally, the "Exclusions" section states, "Consequential damage of a *covered component by a non covered component.*" (emphasis added) Please be advised that Heritage is not responsible for repairing the consequential intake manifold damage that resulted from a non-covered part failure.

On July 21, 2004, you contacted Heritage and stated that Heritage should have told you in the beginning that emissions were not covered. Please be advised that Heritage can not access claim coverage without sufficient information or a complete diagnosis. Additionally, it is neither the responsibility of Heritage or the independent inspector to diagnose a vehicle's problems. This is evidenced by the fact that Heritage pays the repair facility's diagnosis time when a repair is covered. Heritage is only responsible for determining coverage according to the service contract. The independent inspector's role is to verify, confirm, and report (to Heritage) the repair facility's diagnosis and conclusions.

Please refer to your service contract under, "Contract Holder Obligations." It states, "The contract holder is responsible for authorizing and paying for any tear down or diagnosis time needed to determine if the vehicle has a covered breakdown. If it is subsequently determined that the repair is needed due to a covered breakdown then the provider will pay for such tear down or diagnosis. If the failure is not a covered mechanical breakdown then the contract holder is responsible for payment of such tear down or diagnosis."

We do express our apologies to you if you feel that you were misinformed or did not understand the terms of the contract that you signed. Unfortunately, we can not know exactly what transpired between the dealer and yourself when you purchased the contract. Please understand that Memberautolocator.com is *not* an employee of Heritage. Heritage can not be responsible for parties whom sign documents without either reading or understanding the terms of the contract.

For the reasons stated within, Heritage correctly assessed this claim. The enclosed independent inspector's report and colored photographs support this conclusion. Please contact

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me if I can be of further assistance in resolving the matter at hand or if I can be of assistance with  
a future claim.

Sincerely,

A.J. Schulz  
Director of Legal Affairs  
(402) 489-7777, Ext. 164

AJS/mmh

Enclosures (1)

## Magoos's Automotive Consultants Inc.

**Assignment Information**

Call Received 07/19/04  
 Date Inspected 07/20/04  
 Reinspect No  
 Assignment Number 2004071909016

**Company**

HWM Heritage Warranty Mutual Ins, Inc.  
 Adjuster Terry 196  
 Verbal Report Given To Terry voice mail  
 Date 07/20/04

**Claim Information**

Contract Number HBB313037  
 Claim Number  
 Contract Holder  
 Yr/Mk/Mod 99 Pontiac Bonneville  
 Mileage 54998  
 VIN-Last 6

**Vehicle Location**

Car Pro  
 13827 San Pedro  
 San Antonio, TX  
 Howard (210) 490-0086  
 Verified Torn Down With Howard  
 Labor Rate 68.0000  
 Date 07/20/04

**Verified Vehicle Information**

Complete VIN 1G2HX52K0XE  
 Mileage 54998 When Sold 37007  
 License Tag L10TPS Mfg Date 9-98

**INSPECTION REQUEST**

Customer states: Vehicle would not run. Intake manifold melted allowing coolant into the cylinder. Oil pan and a couple of rod caps are pulled. Is this failure due to the EGR tube getting hot. What cause this to melt. Take a photo of the current repair order and the technician's hard copy with notes, all failed parts, odometer before and after test drive, VIN, modifications, impact, abuse or misuse and any signs of commercial use. Please verify the cause of failure and full extent of damage to all failed components. Call the repair facility prior to inspection to verify the vehicle is available and ready for inspection.

**REPAIR ORDER** 21584 Dated 07/15/04 Name on RO SAME Driven Towed Towed In

**COMPLAINT**

1. DIED WHILE DRIVE, CRANKS WONT START

**SERVICE HISTORY** Service History Availability Not Available

NONE

Service Stickers No

Door Sticker Info NA

**BODY** Model BONEVILLE Nam Doors 4 Body Type Sedan Options A/C,P/B,P/S

**ENGINE TYPE** 3.8 Single Cam, Pushrod, 12 Valve, EFI, V6

**TRANSMISSION TYPE** Automatic, front wheel drive

**CONDITION OF VEHICLE** General Condition Very Good

Signs of Abuse No

Signs of Collision No

Modifications No Commercial Use No  
Tow Package None Oversize Tires NO

**ENGINE OIL**

Oil Level Drained Oil Condition See report Evidence of Intermix SEE REPORT

Evidence of Oil Leaks No Leaks NA

**BELTS/ HOSES** Condition Good Hose/Belt Comments NA

**RADIATOR**

Condition Good Rust No Rust Visible Reservoir Clean

Radiator Leaks No Where NA

**COOLANT**

Level Drained Condition Clean

Evidence of Overheat No Overheat Notes NA

**TRANSMISSION FLUID**

Oil Level Full Oil Condition Clean

Evidence of Trans Intermix No Trans Fluid Leaks None Were Found

Metal in Trans N/A

Drive Axle Fluid N/A Freeze Plug Condition Good

**State of Assembly**

The oil pan was removed from engine, the oil screen was removed, the intake manifold was removed from engine. The engine is in the vehicle.

**Extent of Damage**

There is a burnt/melted area on the intake plenum where the EGR tube meets the intake manifold. There is a heavy amount of coolant laying on top of the engine in the intake area. There is no signs of coolant oil intermix found in the oil pan, on the crankshaft, or on the oil screen. The technician removed the #6 rod bearing cap for inspection. There is evidence of coolant contamination seen on the bearing surface. The crank journal for the rod bearing look normal for time and mileage. No other damage found or demonstrated at this time. The technician did not remove any other bearing caps. No other damage is evident.

Was failure pre-existing No, the failure(s) was not pre-existing the sale mileage of the vehicle

Evidence of Sludge None

Evidence of heat No, there is no evidence of heat.

Evidence of discoloration No, there is no evidence of discoloration.

Failure of seal or gasket No, the failure is not the result of a leaking seal/gasket.

Lack of fluid or lubricant No, failure is not the result of lack fluid/lubricant.

Did the operator protect Yes, the operator did protect the vehicle after the loss occurred.

**Cause of Failure**

There is a failure of the intake manifold at the EGR tube location allowing coolant intrusion into the engine. This is evident

[http://www.magoos.net/m/magoo/v2\\_viewc\\_rd.cfm?irid=2147460503&iid=2147262819&...](http://www.magoos.net/m/magoo/v2_viewc_rd.cfm?irid=2147460503&iid=2147262819&...) 7/22/2004

by the condition of the # 6 rod bearing showing the coolant intrusion. As the technician did not remove any other bearings the inspector could not verify any other bearing or crank damage.

**Inspection Photos**

Click on a Photo to See an Enlarged Version

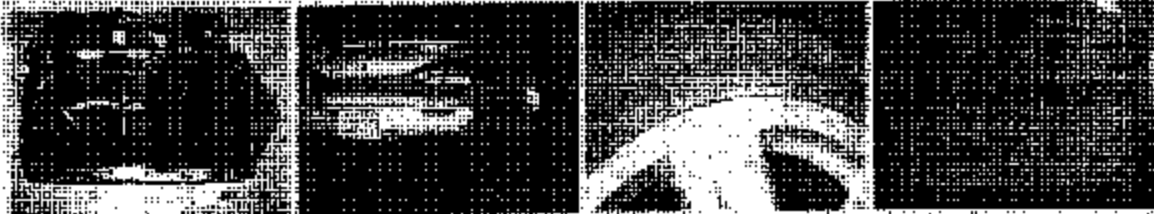


img1.JPG

img2.JPG

img3.JPG

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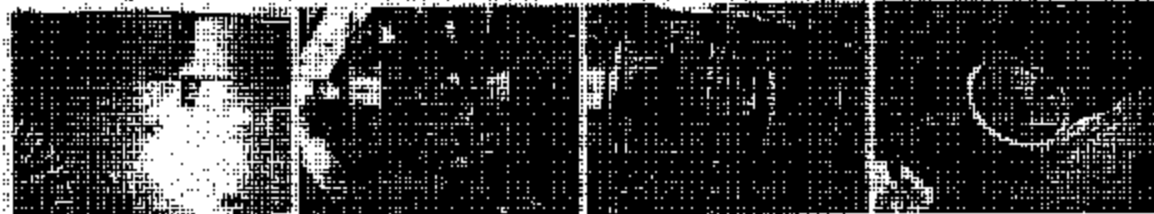


img5.JPG

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rodandcrankshaft.JPG

rodendbearing1.JPG

journal.JPG

rodendbearing2.JPG



rodandcrank.JPG

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From: unknown

Page: 1/2

Date: 7/16/2004 10:19:42 AM



### Bumper-to-Bumper Program New Vehicle Service Contract

This Document is the Application and Vehicle Service Contract. If this Application cannot be accepted as written, applicant will be notified in approximately 90 days and offered a new/adjusted Contract, if possible. If applicant does not choose to accept the new/adjusted Contract or the vehicle does not qualify for any type of coverage, the Contract Price will be refunded. No cancellation of this Contract shall become effective until 30 days after the notice of cancellation is mailed to the Contract Holder.

CONTRACT HOLDER (CUSTOMER INFORMATION)	
Name	_____
Address	_____
CITY, ST, ZIP	San Antonio, TX _____
Phone #	_____

APPLICATION/CONTRACT NO:	HBB 313037
Current Odometer	30,007
Contract Purchase Date	4/25/01
Deductible:	<input checked="" type="checkbox"/> \$0 (Swaged) <input type="checkbox"/> \$50 (Standard)
Swagerage:	<input type="checkbox"/> Commercial Use
<input type="checkbox"/> Wear & Tear	_____

**Contract Holder's Obligations**

The Contract Holder agrees with GEICO and Herford that GEICO will not be liable for any damage to or loss of the vehicle or any contents of the vehicle if the Contract Holder is responsible for the damage or loss. The Contract Holder is responsible for the damage or loss if the Contract Holder is negligent or if the Contract Holder is responsible for the damage or loss in any other way. The Contract Holder is responsible for the damage or loss if the Contract Holder is negligent or if the Contract Holder is responsible for the damage or loss in any other way. The Contract Holder is responsible for the damage or loss if the Contract Holder is negligent or if the Contract Holder is responsible for the damage or loss in any other way.

**Accident Reporting**

If a covered accident occurs during the term of this Contract, the Contract Holder must report the accident to the Repair Facility as soon as possible. The Contract Holder must also report the accident to GEICO as soon as possible. The Contract Holder must also report the accident to GEICO as soon as possible. The Contract Holder must also report the accident to GEICO as soon as possible. The Contract Holder must also report the accident to GEICO as soon as possible.

**Damage Waiver**

The coverage provided under this contract is subject to the terms and conditions of the contract. The Contract Holder must pay the deductible for each covered accident. The Contract Holder must also pay the deductible for each covered accident. The Contract Holder must also pay the deductible for each covered accident. The Contract Holder must also pay the deductible for each covered accident.

**Contract Holder's Obligations**

The Contract Holder is responsible for the damage or loss if the Contract Holder is negligent or if the Contract Holder is responsible for the damage or loss in any other way. The Contract Holder is responsible for the damage or loss if the Contract Holder is negligent or if the Contract Holder is responsible for the damage or loss in any other way. The Contract Holder is responsible for the damage or loss if the Contract Holder is negligent or if the Contract Holder is responsible for the damage or loss in any other way.

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This Contract is not valid unless it is signed by both the Contract Holder and the Repair Facility. The Contract Holder must pay the deductible for each covered accident. The Contract Holder must also pay the deductible for each covered accident. The Contract Holder must also pay the deductible for each covered accident. The Contract Holder must also pay the deductible for each covered accident.

NO CLAIMS WILL BE PAID WITHOUT PRIOR AUTHORIZATION  
CLAIMS 1-800-763-5236

When: Customer    Contact: Administrator    Phone: Driver    Registered: Life Holder

11/11/2004