



# GAP Addendum

G0108

This Guaranteed Automobile Protection (GAP) Contract Addendum (addendum) dated \_\_\_\_\_ amends the financing contract. This GAP addendum is between the customer/borrower and the dealer/creditor (we, us, or our), or if assigned with the assignee.

Customer/Borrower	Dealer/Creditor	
Address	Address	
City, State, Zip	City, State, Zip	
Vehicle Make/Model/Year	VIN	
Date of Financing Contract	Term of GAP	Monthly Pymt.
Financial Institution/Lender	Term of Financing Contract/Loan	Maximum Term of GAP: <b>84 Mos</b>
Address	MSRP/NADA	Maximum Eligibility Limit % <b>150%</b>
City	Amount Financed	
<input type="checkbox"/> Balloon <input type="checkbox"/> Lease <input type="checkbox"/> Installment Sales Contract	State	Zip
	Mileage	For Administrative Purposes CLASS:

Although not required to do so, you have elected to participate in our GAP Program. **GAP does not take the place of insurance on the vehicle.** You are responsible for maintaining collision and comprehensive insurance for the full value of the vehicle and any other insurance required by the financing contract or applicable law. You are responsible for all notifications or claims that are required to be filed with your automobile insurance company. We will not process or handle your insurance claims for you.

**The Charge to You for GAP is \$ \_\_\_\_\_**

In the event of a constructive total loss to the covered vehicle, we agree to waive our rights against you for the amount due under a payable loss. In addition to the provisions of payable loss, you will remain responsible for payment of any items stated under **Exclusions**.

**TERMINATION OF ADDENDUM:** This addendum will terminate on the date that either of the following events occur: 1. the date your financing contract is scheduled to terminate; 2. upon payment in full of the financing contract; 3. expiration of any redemption period following the repossession or surrender of the covered vehicle; 4. in the event of a constructive total loss or theft of the covered vehicle; or 5. the date the financing contract/loan is prepaid or the financing contract is refinanced. It is your responsibility to notify the dealer/creditor, in writing, of your request to cancel this coverage and to request a refund/credit of the GAP charges.

**REPORT YOUR TOTAL LOSS TO OUR GAP ADMINISTRATOR:**

**VEHICLE PROTECTION, INC.**  
 250 NE MULBERRY, LEE'S SUMMIT, MO 64086 • Toll Free (800) 670-9891 • Fax (816) 525-4188

All payable loss claims must be reported to us within 90 days of receiving settlement from the primary carrier, or if no primary carrier coverage is in effect on the date of loss within 90 days of the accident or theft. No payment for payable loss will be made by us if the claim is not reported within these stated time periods.

**YOUR RIGHT TO CANCEL:** You have the unconditional right to cancel and terminate this optional addendum for a refund/credit of the unearned portion of the charge for this addendum at any time. If any termination occurs within 30 days of the addendum purchase you will receive a full refund/credit of the addendum cost, provided no loss has occurred. After 30 days, you will receive a refund/credit of the addendum cost calculated by the Pro Rata method, or by the refund method as may be required by state or federal law, less a \$35.00 cancellation fee. We will refund all charges to the financial institution/lender. To cancel the addendum and request a refund/credit, you must contact the dealer/creditor, in writing, at the address shown above. If you do not receive the refund/credit within 60 days of notice of cancellation/termination, contact the GAP Administrator stated above.

ENROLLMENT IS AVAILABLE ONLY AT THE TIME THE FINANCING CONTRACT IS ORIGINALLY EXECUTED. BY YOUR SIGNATURE BELOW, YOU ACKNOWLEDGE AND AGREE THAT YOUR ACCEPTANCE OF THIS GAP ADDENDUM IS VOLUNTARY AND IS NOT REQUIRED IN ORDER FOR YOU TO OBTAIN CREDIT, DOES NOT IMPACT YOUR ABILITY TO OBTAIN ANY PARTICULAR OR MORE FAVORABLE CREDIT TERMS, AND HAS NO EFFECT ON THE TERMS OF THE RELATED SALE OF THIS VEHICLE. This coverage may decrease over the term of your financing contract and may not extend for the full term of your financing contract/loan. You may wish to consult an alternative source to determine whether similar coverage may be obtained and at what cost. You also acknowledge that you have read and understand this addendum and its provisions. No other verbal representations have been made to you that differ from these written provisions. If you purchase GAP from this dealer/creditor, you understand that the financial institution/lender may retain all or a portion of the charge paid by you. This addendum includes a binding arbitration clause. **You should carefully read the back of this addendum for additional information on eligibility, requirements, conditions and exclusions that could prevent you from receiving benefits under this addendum.**

Yes, I accept this GAP addendum and its terms and **Conditions**.

Customer/Borrower \_\_\_\_\_ Dealer/Creditor \_\_\_\_\_

PRINT NAME \_\_\_\_\_ DATE \_\_\_\_\_ BY \_\_\_\_\_ DATE \_\_\_\_\_

**ASSIGNMENT:** The GAP addendum will follow the financing contract/loan or lease with no subrogation rights against the customer/borrower, if the financing contract/loan or lease is sold or assigned by the dealer/creditor.

**LIMITATIONS:**

- A. No addendum will be issued for the covered vehicle with a Manufacturer's Suggested Retail Price (MSRP) or NADA retail value of more than \$100,000, or if the amount financed exceeds \$100,000.
- B. No coverage is provided for that portion of the net payoff that results from the amount financed/lease cap cost exceeding the Maximum Eligibility Limit stated above at the inception date of this addendum and will be deducted from the payable loss due.
- C. The payable loss for financing contract/loans or leases with terms greater than the Maximum Term of GAP stated above will be based on a net payoff calculated using the Maximum Term of GAP stated above.
- D. Any addendum issued for an amount financed in excess of B or C above will be deemed eligible for enrollment as limited by this section.
- E. No coverage is provided for a financing contract/loan or lease that does not have uniform monthly repayment terms for the full period of the financing agreement (except for balloon loans with uniform payments) and/or for a financing contract/loan or lease that is self-financed.

**LOSS DOCUMENT PROCEDURES:** In the event of a constructive total loss, you must notify and provide all of the following to our GAP Administrator, Vehicle Protection, Inc. (at the address shown above): 1. a complete copy of the primary insurance settlement, including the valuation report; 2. a copy of the original financing contract and this addendum; 3. a copy of the accident/police report; 4. a copy of your automobile insurance policy; 5. a copy of the payoff from the financial institution/lender as of the date of loss; 6. a copy of the insurance settlement check; and 7. any additional reasonable documentation requested by our GAP administrator or us. The GAP Administrator will not obtain this information for you. The GAP Administrator must receive this documentation within 90 days of settlement by your primary carrier. No payment will be made if this documentation is not provided to the GAP Administrator within this stated time period.

**DEFINITIONS**

**Actual Cash Value (ACV)** – The retail value of the covered vehicle, on the date of loss, as listed in a national or regional guide, such as National Automobile Dealers Association (NADA) or, at the administrator's discretion, the GAP administrator may use an equivalent national or regional guide for G0108 ● VPI: WHITE ● DEALER/CREDITOR: YELLOW ● CUSTOMER: PINK ● FINANCIAL INSTITUTION/LENDER: GOLD

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the territory in which the covered vehicle is principally garaged. For a covered vehicle which has no retail value available, or is located in territories where NADA or an equivalent national or regional guide is not customarily used, ACV will be determined using the best information available to our GAP administrator, or which GAP administrator reasonably believes accurately reflects the retail value of the covered vehicle and is customarily used as the basis for establishing ACV for covered vehicle in the territory of the covered vehicle location.

**Customer/Borrower** (I, you or your) – The natural person(s) named in the financing contract receiving a financing contract/loan or lease from the financial institution/lender.

**Constructive Total Loss** – A direct and accidental loss of or damage of covered vehicle, which meets one of these criteria: 1. the total cost to repair the covered vehicle is greater than the ACV of the covered vehicle immediately prior to the date of loss; or 2. the covered vehicle is stolen and is not recovered within 30 days from the date a police report was filed, and your primary carrier declares the covered vehicle a total loss. In the case there is no primary insurance coverage, the covered vehicle must be available for the GAP Administrator's inspection or appraisal to determine if the covered vehicle is a constructive total loss. If the covered vehicle is not available for inspection or appraisal the claim will not be paid.

**Commercial Vehicle** - Any vehicle in excess of 10,000 lbs, and/or used for commercial purposes including but not limited to: transportation of persons or property for hire, compensation, profit, or in the furtherance of a commercial enterprise, including but not limited to the following: a) a business name is permanently displayed on the vehicle; b) the vehicle is used for a business purpose more than 50% of the week; c) the primary insurance for the vehicle is a Business Auto Policy or Commercial Vehicle Policy. Trailers, special commercial usage optional equipment, accessories, and body components are excluded from coverage. Share-the-expense car pools are not considered a commercial purpose.

**Covered Vehicle**– Any four-wheel private passenger automobile, van, or light truck, as described in the financing contract, utilized for personal purposes. This definition is subject to the **Exclusions** provisions.

**Date of Loss** - The date on which covered vehicle is reported stolen or incurs physical damage that is severe enough to constitute a constructive total loss.

**Delinquent Payment** - Any payment, as described in the financing contract, which remains unpaid for a period of more than 30 days after the due date stated in the financing contract. The delinquent payment will be determined as of and limited to amounts past due on the date of loss.

**Financing Contract** –The contract which represents the financing agreement between the financial institution/lender and customer/borrower for the purchase or lease of the covered vehicle, and which explains the terms, conditions, inception date, and expiration date of the financing agreement.

**Maximum Eligibility Limit** – The Manufacturer's Suggested Retail Price (MSRP) for new vehicles or the NADA retail value for used vehicles multiplied by the Maximum Eligibility Limit percentage as stated in the Schedule.

**Net Payoff** – The amount of the financial institution/lender's interest as of the date of loss, as represented by the portion of the customer/borrower's unpaid balance according to the original payment schedule of the financing contract that is secured by collateral subject to the **Limitations**. The amount does not include any unearned finance charges; lease or financing contract/loan charges; late charges; any delinquent payments; uncollected service charges; refundable prepaid taxes and fees; disposition fees; termination fees; penalty fees; the recoverable portion of financed insurance charges; or the recoverable portion of financed amounts for unearned insurance premiums or refundable charges (including, but not limited to credit life, vehicle service coverages/warranties and guaranteed automobile protection charges) that are owed by you on the date of loss; and amounts that are added to the financing contract/loan or lease balance after the inception date of the financing contract.

**Payable Loss** - The difference between the net payoff and the greater of: 1) the primary carrier settlement; or 2) 90% of ACV of the covered vehicle on the date of loss. The payable loss will not exceed \$50,000. Payable loss includes the amount of your physical damage deductible on the primary carrier's policy up to \$1,000. In the event that there is no primary carrier coverage in effect on the date of loss, or if the primary carrier is declared insolvent, we will only pay the difference between the net payoff as of the date of loss and the ACV.

**Primary Carrier** – The insurance company that: is selected by the customer/borrower to provide physical damage coverage on the vehicle; or provides liability coverage to any person who has caused your vehicle to incur a constructive total loss.

**Self-financed** - A financing contract/loan/lease that is funded and retained by the selling dealer or an affiliate.

**Territory** – This coverage applies only to payable losses sustained while the covered vehicles is: 1. within the United States of America (U.S.), its territories or possessions; 2. in Canada; or 3. being transported between any previously stated.

### CONDITIONS

**Exclusions** – This addendum will not provide coverage for loss:

1. Resulting from losses occurring prior to the effective date of this addendum.
2. Resulting from confiscation of covered vehicle by a government body or public official.
3. Caused by theft, unless customer/borrower or financial institution/lender files a police report.
4. Resulting from being operated, used, or maintained in any race, speed contest, or other contest.
5. To a covered vehicle held as security under any wholesale, floor plan, field warehouse, or any type of financing to a dealership.
6. To the following vehicles which are excluded from coverage: Daewoo, Bentley, Lamborghini, Lotus, Maserati, Ferrari, Rolls Royce, Yugo, Aston Martin, RV's, boats, ATV's, snowmobiles, motorcycles, trailers and commercial vehicles.
7. To a covered vehicle with a financing contract in which the capitalized cost or total amount financed is more than the amount shown in Limitations item A at the inception date of the financing contract.
8. Attributable to other than the standard or optional equipment available from the manufacturer of the covered vehicle, including but not limited to: special carpeting, furniture, bars, audio, video, or data equipment, cooking and sleeping facilities, customized paint, or any equipment installed to overcome a physical handicap. Factory approved conversion packages and dealer installed options usually included in used car value guidebooks are not excluded.
9. Occurring after covered vehicle has been repossessed by a financial institution/lender or placed in a financial institution/lender's possession or in possession of a financial institution/lender's employees or agents.
10. For any amounts deducted from the primary carrier's settlement due to wear and tear, prior damage, unpaid insurance premiums, salvage, towing and storage and other condition adjustments.
11. To a covered vehicle with a salvage or rebuilt title at the time of sale or for which title has been changed or re-issued as salvage or rebuilt prior to the date of loss.
12. Resulting directly or indirectly from any fraudulent, deceptive, illegal, or criminal act by You, whether acting alone or in collusion with others.

**Arbitration** - It is understood and agreed that the transaction evidenced by this addendum takes place in and substantially affects interstate commerce. Any controversy or dispute arising out of or relating in any way to this addendum or the sale of this addendum, including for recovery of any claim under this addendum including the applicability of this arbitration clause and the validity of this addendum shall be resolved by neutral binding arbitration on an individual basis without resort to any form of class action or any other collective or representative proceeding by the American Arbitration Association (AAA), under the Commercial Arbitration Rules in effect at the time the claim is filed. All preliminary issues of arbitration will be decided by the arbitrator.

1. The arbitration shall take place in the county of residence of the customer/borrower unless another location is mutually agreed upon by the parties. The arbitration shall take place before a single arbitrator selected in accordance with the AAA Commercial Arbitration Rules. AAA rules and forms may be obtained and all claims shall be filed at [www.adr.org](http://www.adr.org) or at any AAA office.
2. The cost of the arbitration shall be borne by us except that each party must bear the cost of filing and the cost of its own attorneys, experts and witness fees and expenses. You may seek a waiver of the filing fee under the applicable AAA rules. If the arbitrator holds that a party has raised a dispute without substantial justification, the arbitrator shall have the authority to order that the cost of the arbitration proceedings be borne by the other party.
3. It is understood and agreed that the arbitration shall be binding upon the parties, that the parties are waiving their right to seek remedies in court, including the right to a jury trial. You will not be able to participate as a representative or member of any class of claimants. An arbitration award may not be set aside in later litigation except upon the limited circumstances set forth in the Federal Arbitration Act. An award in arbitration will be enforceable under the Federal Arbitration Act by any court having jurisdiction.
4. All statutes of limitations that would otherwise be applicable shall apply to any arbitration proceedings.

If any portion of this arbitration provision is deemed invalid or unenforceable, the remaining portions of this arbitration provision shall nevertheless remain valid and in force. In the event of a conflict or inconsistency between this arbitration provision and the other provisions of this agreement or any prior agreement, this arbitration provision shall govern.

**Fraud and Misrepresentation** - This addendum is issued in reliance upon the truth of all representations made by you. We will not pay a claim as to any financing contract/loan or lease where you: 1. Intentionally concealed or misrepresented any material fact; 2. Engaged in fraudulent conduct; or 3. Made a false statement relating to submitting a claim. If you have concealed or misrepresented any material fact(s) concerning this coverage, or in case of fraud, attempted fraud, or the false swearing by affecting any matter relating to this coverage, whether before or after payable loss, this addendum may be voided and all charges will be returned, less a \$35.00 processing fee.

### STATE PROVISIONS

**Indiana:** Financing contract provision is amended to include: Financing contracts where the amount financed is less than 80% of MSRP are not eligible for participation in this GAP program.

**Colorado, Kansas, Indiana, Louisiana, Missouri, New Hampshire, New Mexico, Vermont and Wisconsin:** The cancellation fee and processing fee is not applicable.

**Vermont:** We must assign, sell or transfer, within 15 business days, the financing contract to a financial institution/lender as defined in subdivision 11101(32) of Title 8 or a credit union or entity licensed under subdivision 2201(a)(1) or (3) of Title 8 or this addendum is void and you will receive a full refund of the charges of this addendum.

**Wisconsin:** Arbitration provision is amended as follows: In the second sentence, the language "including the applicability of this arbitration clause and the validity of this addendum" is deleted. The sentence: "All preliminary issues of arbitration will be decided by the arbitrator." is deleted. Class Action or any other collective or representative claims are not prohibited under this provision. If any portion of this arbitration provision is deemed invalid or unenforceable, the remaining portions of this arbitration provision will remain valid to the extent not prohibited by the Wisconsin Consumer Act. A cancellation refund within the first 30 days will also include the amount of the applicable finance charge.