

# GAP DEFICIENCY WAIVER ADDENDUM

Installment Sale Contract    Loan    Lease    Other

**COVERED VEHICLE INFORMATION**

M.S.R.P.	Original Contract Date:	Term (Months):	APR%:
Year:	Make:	Model:	Mileage:
VIN#:	Amount Financed/ Capitalized:		<input type="checkbox"/> New <input type="checkbox"/> Used

**DEALER INFORMATION**

Name:	Fax:	Phone:
Address:		Dealer #
City:	State:	Zip:

<input checked="" type="checkbox"/> <b>GAP BROAD FORM</b>	ENROLLMENT CHARGE \$ _____
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**LENDER / LESSOR INFORMATION**

Name:	Fax:	Phone:
Address:		Finance Agreement #
City:	State:	Zip:

**CUSTOMER INFORMATION**

Last Name:	First Name:	Middle Initial:	Phone:
Address:			
City:	State:	Zip:	

**YES, I ELECT THE GAP DEFICIENCY WAIVER ADDENDUM**

I (CUSTOMER), WHOSE SIGNATURE APPEARS BELOW, ACKNOWLEDGE THAT THE INFORMATION CONTAINED ABOVE IS, TO THE BEST OF MY KNOWLEDGE, TRUE. I HAVE READ THE DEFICIENCY WAIVER ADDENDUM IN ITS ENTIRETY, AND AGREE TO ALL OF THE PROVISIONS HEREIN. THE PURCHASE OF THE DEFICIENCY WAIVER ADDENDUM IS VOLUNTARY AND IS NOT REQUIRED BY THE DEALER / ASSIGNEE TO OBTAIN CREDIT.

DATE: \_\_\_\_\_ CUSTOMER'S SIGNATURE: \_\_\_\_\_ DEALER'S SIGNATURE: \_\_\_\_\_

**COVERAGE**

The named **Customer** is responsible to the named Dealer / Assignee under the terms of the described Financing Agreement for the amount of any early termination liability resulting from a **Total Loss** of the **Vehicle**. Due to this Addendum being in effect, the Dealer / Assignee agrees to cancel a portion of the **Customer's** indebtedness in the event of a **Total Loss** of the **Vehicle** as defined herein.

The Deficiency Waiver Addendum will waive the amount equal to the **Unpaid Net Balance** less the **Actual Cash Value (ACV)** of the **Vehicle**, both as defined herein, subject to the **ACV** not having been reduced by more than \$1,000 as a result of the application of the **Customer's** primary insurance deductible (**Customer's** primary insurance deductible will not be reimbursed where prohibited by law). Any deductible amount in excess of \$500 remains the **Customer's** responsibility. It is further agreed that the maximum claim payment is limited to \$25,000.

**DECLINATION OF DEFICIENCY WAIVER ADDENDUM**

I DO NOT CHOOSE TO PURCHASE THE DEFICIENCY WAIVER ADDENDUM. I UNDERSTAND THAT BY NOT ACCEPTING THE DEFICIENCY WAIVER ADDENDUM I AM NOT ENTITLED TO ANY OF THE BENEFITS IN THE EVENT OF A TOTAL LOSS OF THE VEHICLE.

DATE: \_\_\_\_\_ CUSTOMER'S SIGNATURE: \_\_\_\_\_ DEALER'S SIGNATURE: \_\_\_\_\_

## DEFINITIONS

For the purpose of the Deficiency Waiver Addendum (Addendum) the following terms shall mean:

**Customer** means the purchaser of the **Vehicle**, as listed in the application section of this Addendum.

**Vehicle** means the four-wheeled private passenger **vehicle**, van, pickup or truck not to exceed 10,000 pounds GVW, as listed in the application section of this Addendum.

**Date of Loss** means the date on which the actual physical loss or damage occurred to the **Vehicle**. If such date is indeterminable, the **Date of Loss** shall be either the date established by the primary insurance carrier or the date the occurrence was reported to the Police, whichever is the earlier.

**Actual Cash Value** means the retail value of the **Vehicle** on the **Date of Loss** prior to its physical damage or theft, as determined by the **Customer's** primary insurance company net of the **Customer's** primary deductible, not to exceed \$500. If no primary insurance company exists or the primary insurance company has been declared insolvent, the retail value will be determined using the N.A.D.A. Official Used Car Guide based on the best information available on the **Vehicle's** options and conditions.

**Total Loss** means a total or constructive total loss as defined by the individual **Customer's** primary automobile physical damage carrier. If no primary physical damage carrier exists, then a Total Loss shall mean when the repair cost exceeds the **Actual Cash Value** or, in the event of a theft, when the **Vehicle** has not been recovered after a minimum period of 30 days from the date of the original police theft report.

**Unpaid Net Balance** means the amount owed by the **Customer** to clear the outstanding Financing Agreement account balance as of **Date of Loss**. This amount shall not include any and all unearned and/or future finance or rental charges, loan or lease charges, late charges, delinquent payments, uncollected service charges, refundable prepaid taxes and fees, disposition fees, termination fees, penalty fees or any proceeds which may be recovered by canceling any insurance coverage, service contracts and / or warranties, credit life, accident and health insurance, or, other cancelable items.

## TERMS AND CONDITIONS

- A) No coverage is provided for any Financing Agreement when the original term exceeds 84 months.
- B) No coverage is provided for that unpaid portion of the **Unpaid Net Balance** that results from the amount financed / lease cap cost exceeding 125% of the Manufacturer's Suggested Retail Price (MSRP) for New **Vehicles** or 125% of NADA Official Used Car Guide's "Retail" value for Used **Vehicles**, at the inception date of the Financing Agreement. These Financing Agreements will not be disqualified from coverage; however, the **Unpaid Net Balance** will be determined based on this maximum limit.
- C) Primary Insurance: Should the **Customer** not have collectible physical damage insurance on the **Date of Loss**, it is the responsibility of the **Customer** prior to the date the written notice is received by the Administrator. A cancellation requested within thirty (30) days of the purchase is eligible for a full refund. After the thirty (30) days, refunds will be calculated by the Rule of 78's less a \$50.00 cancellation fee, unless otherwise required by state statute or the Dealer / Assignee. The lien holder will be listed as loss payee on all refunds and sole payee on any refunds due to repossession.
- D) The Deficiency Waiver Addendum is transferable only if there is a transfer of equity. If the **Customer** refinances the original Financing Agreement, this Addendum will be deemed cancelled. This Addendum can not be transferred to another Financing Agreement or **Customer**.
- E) The Deficiency Waiver Addendum is cancelable upon written notice to the Administrator subject to the effective date of the cancellation not being prior to the date the written notice is received by the Administrator. A cancellation requested within thirty (30) days of the purchase is eligible for a full refund. After the thirty (30) days, refunds will be calculated by the Rule of 78's less a \$50.00 cancellation fee, unless otherwise required by state statute or the Dealer / Assignee. The lien holder will be listed as loss payee on all refunds and sole payee on any refunds due to repossession.
- F) This Addendum shall be void if any material fact(s) have been concealed or misrepresented, or in the case of fraud.
- G) No coverage is provided for any **Vehicle** unless this Addendum has been reported to the Administrator by the Dealer.

## EXCLUSIONS

This policy does not apply to loss or damage:

- A) Due to wear and tear, freezing, mechanical or electrical breakdown or failure.
- B) To emergency **vehicles**, taxicabs, liveries and buses, conversion vans except those converted by the manufacturer or a conversion approved by the manufacturer by an outside facility, and **vehicles** used for any commercial purposes.
- C) To other than the standard or optional equipment available from the manufacturer of the covered collateral.
- D) Resulting directly or indirectly from forgery or any dishonest, fraudulent or criminal act, or due to conversion, embezzlement or secretion by any person in lawful possession of the **Vehicle**, or due to the legal confiscation of the **Vehicle** by a public official.
- E) Resulting directly or indirectly from forgery or any fraudulent act by the **Customer**.
- F) Caused intentionally by the **Customer**.
- G) To equipment designed for recording, reproduction, receiving or transmitting of sound or signals unless the device is permanently installed in the covered collateral at the time the covered collateral is purchased.
- H) To Financing Agreements made to the automotive dealer, or his employees, whether or not the covered collateral is held for resale.
- I) Due to war, whether or not declared, invasion, civil war, insurrection, rebellion or revolution.

## CLAIM REQUIREMENTS

IN THE EVENT OF A CLAIM, and before any coverage under this Addendum can be processed, the **Customer** must provide the following documentation to the Administrator within 90 days of the **Date of Loss**. Failure to provide this documentation within 90 days of the **Date of Loss** will VOID this Addendum.

- 1) Copy of Financing Agreement and Copy of the signed GAP Addendum.
- 2) Copy of **Customer** Payment or Account History including remaining principal balance at **date of loss**.
- 3) Copy of Primary Insurance Settlement Check.
- 4) Copy of Police Report.
- 5) Copy of **Vehicle** Valuation prepared by Primary Insurer.
- 6) Copy of Certificate of Primary Insurance.
- 7) If applicable, Copy of Checks for Cancellation of Service Contract, Credit Life / Accident and Health Insurance, and any other cancelable items.

PLEASE MAKE SURE all documents are **LEGIBLE**, otherwise coverage will be suspended until legible copies are submitted.

**Administrator:**  
**Comprehensive Auto Resources Company, Inc.**  
P.O. Box 1268  
Exton, PA 19341  
(877) 902-8790