

# GAP

## Guaranteed Auto Protection

**What Does GAP Cover?** GAP helps cover the difference between the actual cash value of the vehicle (primary insurance company settlement) and the outstanding loan balance at the time of loss.

### What Does GAP NOT Cover?

- Any refundable additions to the loan amount such as Service Contracts and Other Insurance
- More than 2 delinquent payments
- Late charges, fees, extensions or other money added after loan inception
- Any portion of the loan, at loan inception, that exceeded 150% of MSRP (new vehicles) or 150% of NADA average retail book value (used vehicles) for the Standard Program. For the Non-Standard Program, any portion of the loan, at loan inception, that exceeded 135% of MSRP (new vehicles) or 135% of NADA average retail book value (used vehicles).
- Interest accrued after the date of loss

### Most Commonly Asked Questions:

**Is the deductible covered by GAP?** The primary insurance deductible is waived only to the extent it is part of the GAP Amount. Any portion of the deficiency balance caused by the borrower's deductible will be reimbursed up to \$1,000, where permitted. This coverage is not available by law in all states.

**Can GAP be transferred to a different loan or vehicle?** No, GAP is not transferable. GAP covers the loan and the vehicle that is listed on the loan agreement, and may not be transferred to a new loan or vehicle.

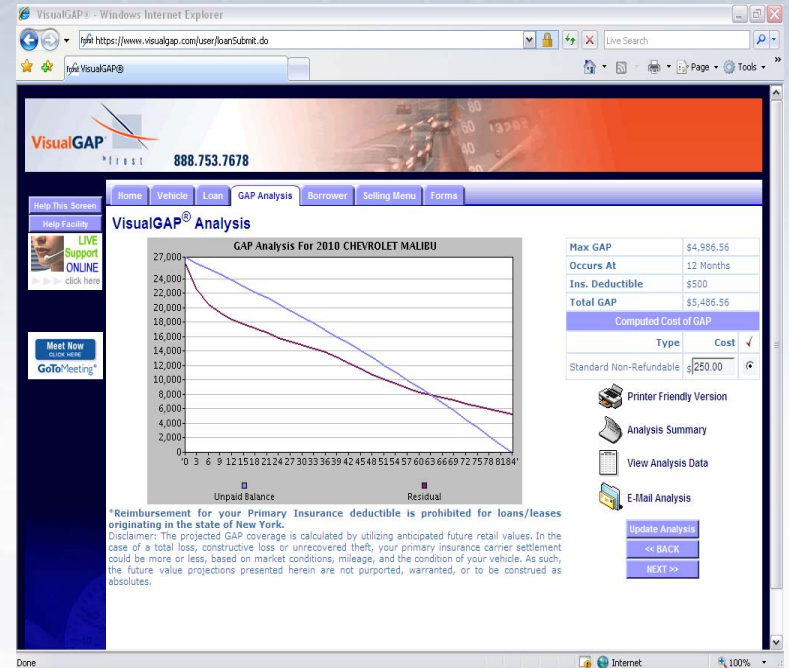
**What if the borrower decides to purchase their totaled vehicle back from the insurance company?** If they purchase their totaled vehicle back from their insurance company, the salvage price will be deducted from their GAP Claim amount.

**If additional funds are added or the term extended, will the borrower need to buy a new GAP policy?** Yes, if they would like the additional funds and/or term extensions covered.

**Can GAP be sold on a multiple collateral loan?** We recommend that GAP not be sold on this type of loan. However, if sold and a claim is filed then the claim will be adjusted to the percentage of the loan balance that the totaled vehicle represents.

**Can GAP be purchased after loan origination?** Yes, they can purchase GAP anytime after loan origination as long as they have not experienced a total loss due to collision or theft. However, it is not retroactive and the coverage goes into effect the day the GAP is purchased and covers the remaining term and balance.

$$\text{GAP Coverage} = \text{Loan Balance} - \text{ACV}$$



# Eligible Collateral Types, Coverage and Limitations

Eligible Collateral Types	Maximum Amount Financed Limit	Max. % of MSRP/ NADA Limit	Maximum Loan Term Limits (Months)	Max. GAP Coverage Limits (Months)	Max. Benefit	Max. Primary Carrier Deductible Limit	Program
<b>Private Passenger Vehicles</b>	\$100,000	150%	84 mos	84 mos	\$50,000	\$1,000	Standard
<b>Motorcycles and Misc. Collateral</b> (ATV's, Snowmobiles, Off-Road Motorcycles)	\$50,000	150%	84 mos	84 mos	\$30,000	\$1,000	Standard
<b>Commercial Vehicles*</b>	\$100,000	135%	84 mos	84 mos	\$30,000	\$1,000	Non-Standard
<b>Watercraft*</b> Tier 1 Tier 2	\$0 to \$30,000 \$30,001 to \$100,000	150% 135%	84 mos 240 mos	84 mos 84 mos	\$30,000 \$50,000	\$1,000 \$1,000	Standard Non-Standard
<b>RV's*</b> (Motor Homes, Travel Trailer, Campers)	Refer to your GAP Training Kit for tiered pricing	135%	240 mos	84 mos	\$50,000	\$1,000	Non-Standard

## Coverage for Skip-A-Payments

The borrower will be allowed 1 skip-a-payment per year up to a maximum of 2 per loan term.

## Areas Covered

GAP coverage is for losses that occur within the United States, it's territories or possessions, Canada and Mexico.

**\*All Financial Institutions have coverage for Standard collateral types. Refer to your GAP Training Kits or call us at 888.753.7678 to determine eligibility and tiered pricing limits based on amount financed for Non-Standard collateral types.**

## Ineligible Collateral Types

- Salvage or Reconstructed Titled Vehicles
- Vehicles that can not be found in the regular NADA publication
- Commercial Vehicles are ineligible unless you have the Commercial Endorsement
- Vehicles with equipment or conversions not installed by the manufacturer
- Leases or Loans with a balloon payment

