



Comprehensive Auto Resources Company

Agreement No.: CRO-TX-

GAP ADDENDUM

Financing Agreement Type: Installment Sale Contract

COVERED VEHICLE INFORMATION

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

DEALER INFORMATION

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

Commercial Usage Option (Surcharge Applies)

GAP ENROLLMENT CHARGE \$ _____

FINANCIAL INSTITUTION INFORMATION

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

CUSTOMER INFORMATION

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

^a Yes, I ELECT THE GAP 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 GAP ADDENDUM IN ITS ENTIRETY, AND AGREE TO ALL OF THE PROVISIONS HEREIN. THE PURCHASE OF THE GAP ADDENDUM IS VOLUNTARY AND IS NOT REQUIRED BY THE DEALER / FINANCIAL INSTITUTION TO OBTAIN CREDIT. NEITHER THE EXTENSION OF CREDIT, THE TERMS OF THE CREDIT, NOR THE TERMS OF THE RELATED VEHICLE SALE, MAY BE CONDITIONED UPON THE PURCHASE OF THE GAP ADDENDUM. I UNDERSTAND I MAY OBTAIN GAP PROTECTION FROM AN ALTERNATIVE SOURCE. I UNDERSTAND THAT I MAY CANCEL THIS GAP ADDENDUM AT ANY POINT DURING THE ORIGINAL TERM OF THE FINANCING CONTRACT. I UNDERSTAND THAT A CANCELLATION REQUESTED WITHIN THIRTY (30) DAYS OF THE PURCHASE IS ELIGIBLE FOR A FULL REFUND, SO LONG AS NO BENEFITS HAVE BEEN PROVIDED. I UNDERSTAND THAT A CANCELLATION REQUEST RECEIVED AFTER THIRTY (30) DAYS OF PURCHASE, OR IN THE EVENT BENEFITS HAVE BEEN PROVIDED, WILL BE REFUNDED USING THE PRO RATA METHOD, UNLESS OTHERWISE MANDATED BY STATE LAW, AND THAT A WRITTEN REQUEST MUST BE PROVIDED TO THE GAP ADMINISTRATOR WITHIN NINETY (90) DAYS OF THE OCCURRENCE OF THE EVENT TERMINATING THE FINANCE CONTRACT. ANY REFUND OF THE PURCHASE PRICE MAY BE APPLIED BY THE CREDITOR AS A REDUCTION OF THE OVERALL AMOUNT OWED UNDER THE FINANCE CONTRACT.

DATE: _____ CUSTOMER'S SIGNATURE: _____ DEALER'S SIGNATURE: _____

ADDENDUM BENEFITS

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

The GAP Addendum will waive the amount equal to the Net Payoff less the Actual Cash Value (ACV) of the Covered 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 waived where prohibited by law). Any deductible amount in excess of \$1,000 remains the Customer's responsibility. It is further agreed that the maximum benefit is limited to \$50,000, the maximum eligibility limit is \$100,000 (based on amount financed), and the maximum coverage term is 84 months. This GAP Addendum is not credit insurance, nor does it eliminate the customer's obligation to insure the vehicle as provided by state laws. It is the Customer's responsibility to maintain insurance on the Covered Vehicle while the Financing Contract is in effect. Purchasing a GAP Addendum does not eliminate the Customer's rights and obligations under the vendor single-interest and collateral protection coverage laws.

^a DECLINATION OF GAP ADDENDUM

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

DATE: _____ CUSTOMER'S SIGNATURE: _____ DEALER'S SIGNATURE: _____

PROGRAM LIMITS

Maximum AFVR (amount-financed-to-value ratio): Financing Contracts/Financial Agreements: No Limits Dealer Financed ("Buy Here Pay Here") Dealers: 125%	Maximum Term: 84 Months	Maximum Limit of Coverage: \$50,000	Maximum Amount Financed Limit: \$100,000
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DEFINITIONS – For the purpose of the **GAP Addendum** the following terms shall mean:

Actual Cash Value (ACV) means the retail value of the **Covered Vehicle**, on the **Date of Loss**, prior to its physical damage or theft, as determined by the **Customer's Primary Carrier** net of the **Customer's** primary deductible, not to exceed \$1,000. If no **Primary Carrier** exists, or the **Primary Carrier** has been declared insolvent, the retail value will be determined as listed in the National Automobile Dealers Association (NADA) Used Car Guide. If the retail value of the **Covered Vehicle** is not available in the NADA Official Used Car Guide, then the **GAP Administrator** may use an equivalent national or regional guide for the territory in which the **Covered Vehicle** is principally garaged.

Customer means the natural person named in the **Financing Contract** receiving a **Financing Contract** for a **Covered Vehicle** from the **Financial Institution**.

Commercial Use means a **Covered Vehicle** that is utilized for commercial/business purposes including but not limited to: (1) business name is displayed on the **Covered Vehicle**; (2) the **Covered Vehicle** is used in furtherance of business or commercial purpose; (3) the purchase, license, or registration or primary insurance is in a business or commercial name or policy. No coverage is provided for a **Commercial Use** Total Loss unless the **Commercial Use** Option is disclosed/purchased.

Constructive Total Loss means a direct and accidental loss of or damage to a **Covered Vehicle** which meets the following criteria:

1. the total cost to repair the **Covered Vehicle** is greater than the **ACV** amount 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 is filed; or
3. the **Customer's Primary Carrier** declares the **Covered Vehicle** a total loss.

In the case where there is no **Primary Carrier** insurance coverage, the **Covered Vehicle** must be made available for the **GAP Administrator's** inspection or appraisal to determine if the **Covered Vehicle** is a **Constructive Total Loss**, except when the **Constructive Total Loss** is due to unrecovered theft and a police report has been filed. The inspection will occur only upon reasonable advance notice. If the **Covered Vehicle** is not available for inspection or appraisal, the **Customer** will not receive any benefit, except when the **Constructive Total Loss** is due to unrecovered theft and a police report has been filed.

Covered Vehicle means the four-wheeled private passenger vehicle, van, pickup or truck not to exceed 12,500 pounds GVWR (Gross Vehicle Weight Rating), as listed in the application section of this **GAP Addendum** and used only for personal purposes. This definition is subject to the Exclusions provisions of the **GAP Addendum**.

Date of Loss means the date on which either:

1. the police report of the **Covered Vehicle's** theft is filed; or
2. the **Covered Vehicle** incurs physical damage that is severe enough to constitute a **Constructive Total Loss**, whichever applies.

Dealer means any retail automobile vendor that is approved to sell, and is named on the front of, this **GAP Addendum**.

Delinquent Payments means 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 means the contract which represents the financing agreement between the **Financial Institution** and **Customer** for the purchase of the **Covered Vehicle**, and which explains the terms, conditions, inception date, and expiration date of the financing agreement. **Irregular Payment Contracts** are not eligible for coverage.

Financial Institution means any institution to which a **Financing Contract** is subsequently sold, assigned, or transferred.

Guaranteed Automobile Protection (GAP) Addendum (GAP Addendum) means this contract whereby the **Financial Institution** promises the **Customer** that, in the event of a **Constructive Total Loss** of a **Covered Vehicle**, the **Financial Institution** waives the **Customer's** obligation to pay **Payable Loss** that is due under the **Financing Contract**. The **Dealer** solicits the **GAP Addendum** to the **Customer**, initially assuming financial responsibility, until assigning a **Financial Institution**.

Guaranteed Automobile Protection (GAP) Administrator (GAP Administrator) means Comprehensive Auto Resources Company, Inc.

Irregular Payment Contract means a contract: 1) that is payable in installments that are not consecutive, monthly, and substantially equal in amount; or 2) the first scheduled installment of which is due later than one month and 15 days after the date of the contract

MSRP means the Manufacturer's Suggested Retail Price

Net Payoff means the amount of the **Financial Institution's** interest as of the **Date of Loss**, as represented by the portion of the **Customer's** unpaid balance, necessary to fully satisfy the **Financing Contract** for the **Covered Vehicle**. The **Net Payoff** is reduced by:

1. any unearned finance charges, late charges, any **Delinquent Payments**, uncollected service charges, refundable prepaid taxes and fees;
2. the recoverable portion of any financed insurance charge, or the recoverable portion of any financed amount for any unearned insurance premium or refundable charge (including, but not limited to any credit life, vehicle service coverage/warranty, or guaranteed automobile protection charge);
3. any amount that is built into or added to the **Financing Contract** balance after the inception date of the **Financing Contract**; and
4. any payment described by the **Financing Contract** that has been postponed, skipped, or waived by the **Financial Institution**, and has not been paid as of the **Date of Loss**.

Payable Loss means the difference between the **Net Payoff** and the amount of the **Primary Insurance Settlement**, plus the amount of the **Customer's** physical damage deductible for the **Covered Vehicle**. However, if the amount of the **Customer's** physical damage deductible for the **Covered Vehicle** exceeds the deductible coverage limit, the amount of the physical damage deductible for the **Covered Vehicle** that is in excess of the deductible coverage limit shall not be included in the definition of **Payable Loss**. **Payable Loss** shall not include any damage due to: wear and tear, freezing, mechanical or electrical breakdown or failure, or road damage to tires.

However and notwithstanding the foregoing, in the event that there is not a **Primary Carrier** in effect on the **Date of Loss**, or there is a **Primary Carrier** in effect on the **Date of Loss** but is declared insolvent, **Payable Loss** means the difference between the **Net Payoff** as of the **Date of Loss** and a retail value from a national or regional guide for the territory in which the **Covered Vehicle** is principally garaged as determined by the **GAP Administrator**. **Payable Loss** includes the amount of your physical damage deductible on the **Primary Carrier's** policy up to \$1,000.00.

Primary Carrier means the insurance that, on the **Date of Loss**:

1. is under contractual obligation to the **Customer** to provide physical damage coverage on the **Covered Vehicle**; or
2. provides liability coverage to any person or entity that is legally liable for the **Constructive Total Loss**.

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

Primary Insurance Settlement – The amount paid by the **Primary Carrier** to the **Customer** and by virtue of its contractual obligation to:

1. insure the **Covered Vehicle** for damage to or loss of such **Covered Vehicle** plus any:
 - (a) unpaid insurance premium; (b) charge for any past due premium payment; (c) towing charge; (d) storage charge; (e) and/or other charge reduced from the amount that the **Primary Carrier** ultimately paid the **Customer** for the loss of or damage to the **Covered Vehicle**; or
2. provide motor vehicle liability insurance to the person or entity that is legally responsible for the **Constructive Total Loss**.

TERMS AND CONDITIONS

- A. No coverage is provided for any **Financing Contract** that exceeds \$100,000.00 (amount financed) or when the original term exceeds 84 months.
- B. **Financing Contracts** / Financial Agreements generally have no amount-financed-to-value ratio (AFVR) limit. However, coverage on all **Financing Contracts** held by the **Dealer** and never assigned to a subsequent **Financial Institution** will be limited to 125% of 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 Contract**. These **Financing Contracts** will not be disqualified from coverage; however, the amount by which the amount financed exceeds 125% of MSRP for New Vehicles or 125% of NADA Official Used Car Guide's "Retail" value for Used Vehicles will be subtracted from the **Net Payoff**.
- C. Primary Insurance: Should the **Customer** not have collectible physical damage insurance on the **Date of Loss**, it is the responsibility of the **Customer** to advise the **GAP Administrator** in writing within ninety (90) days when the **Constructive Total Loss** is discovered and the **GAP Administrator** will calculate the **ACV** of the **Covered Vehicle** immediately prior to the **Date of Loss**.
- D. The **GAP Addendum** is transferable only if there is a transfer of equity of the **Covered Vehicle**. If the **Customer** refinances the original **Financing Contract**, this **GAP Addendum** will be deemed cancelled. This **GAP Addendum** cannot be transferred to another **Financing Contract** or **Customer**.
- E. The **GAP Addendum** is cancelable upon written notice to the **GAP 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 on a Pro rata basis less a \$50.00 cancellation fee (cancellation fee not applicable to Ford Motor Credit Company waivers). The lien holder will be listed as loss payee on all refunds and sole payee on any refunds due to repossession.
- F. This **GAP Addendum** shall be terminated if any material fact(s) have been concealed or misrepresented, or in the case of fraud.
- G. No coverage is provided for any **Covered Vehicle** unless this **GAP Addendum** has been reported to the **GAP Administrator**.

EXCLUSIONS

This **GAP Addendum** will not provide coverage for **Payable Loss**:

- A. that occurs prior to the effective date of this policy;
- B. if the **Covered Vehicle** is garaged or used outside the United States, its territories or possessions, or Canada;
- C. if the **Constructive Total Loss** of the **Covered Vehicle**:
 1. arose out of the confiscation of the **Covered Vehicle** by a government body or public official;
 2. is due to or a consequence of radioactive contamination, discharge of any nuclear weapon (even if accidental), war (declared or undeclared), invasion, civil war, insurrection, rebellion or revolution;
 3. caused by theft, unless the **Customer** or **Financial Institution** files a police report;
 4. resulted from the **Covered Vehicle** being located inside a facility designed for racing or was being operated in or prepared for any race, speed contest, or other prearranged or organized contest;
 5. occurred while being held as security under any wholesale, floor plan, field warehouse, or any type of financing made to a dealership;
 6. arose from it being used as a taxi or for limousine or shuttle service where compensation is provided for those services (share-the-expense car pools are not excluded under this policy.);
 7. arose out of the actual or attempted legal repossession of the **Covered Vehicle**;
 8. arose out of the conversion, embezzlement or secretion by any person in lawful possession of the **Covered Vehicle**; or
 9. occurred after a **Covered Vehicle** has been repossessed by the **Financial Institution** or placed in the **Financial Institution's** possession of the **Financial Institution's** employees or agents;
- D. for any loss amount attributable to other than the standard or optional equipment available from the manufacturer of the **Covered Vehicle**;
- E. to equipment designed for recording, reproduction, receiving or transmitting of sound or signals unless the device is permanently installed in the **Covered Vehicle** at the time the **Covered Vehicle** is purchased.

LOSS DOCUMENT PROCEDURES

In the event of a **Constructive Total Loss** the **Customer** must provide the following documentation to the **GAP Administrator** within ninety (90) days of the **Primary Insurance Settlement**, or in the absence of Primary Insurance, ninety (90) days from the **Date of Loss**. Failure to do so will void this **GAP Addendum**.

- 1) Copy of **Financing Contract** 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 **Covered Vehicle** Valuation prepared by **Primary Carrier**.
- 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.

The **Customer** will not be required to provide additional documentation that is not listed in the **GAP Addendum** to substantiate the loss or determine the amount of debt to be cancelled.

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

You may file a complaint with the Office of Consumer Credit Commissioner by telephone at 800.538.1579; via mail to 2601 N. Lamar Blvd., Austin, TX 78705; or by visiting their website at www.occ.state.tx.us.

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