



Comprehensive Auto Resources Company

Agreement No.: CRO-L-

# GAP ADDENDUM

Financing Agreement Type:  Standard Loan  Deferred Loan  Balloon Loan  Lease

The **Addendum** is entered into and between the **Customer/Borrower (You or Your)** and the **Dealer/Creditor (We, Us, or Our)**, pursuant to the terms and conditions contained in this **Addendum**.

### 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 checked="" type="checkbox"/> Used

### DEALER INFORMATION

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

Commercial Use Option (Surcharge Applies)  ENROLLMENT CHARGE \$ \_\_\_\_\_

### ASSIGNEE/LENDER/CREDITOR INFORMATION

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

### CUSTOMER/BORROWER INFORMATION

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

This **Addendum** amends the **Financing Contract**. In the event of a **Constructive Total Loss** of the **Collateral**, **We** hereby agree to waive **Our** rights against **You** for the amount due under a **Qualifying Loss**. **You** will remain responsible for any **Delinquent Payments**, payment extensions, or any items listed under EXCLUSIONS. This **Addendum** will follow the **Financing Contract** with no subrogation rights against the **Customer/Borrower**, if the **Financing Contract** is sold or assigned by **Us**.

Although not required to do so, **You** elect to purchase this **Addendum** for an additional charge in the amount shown above. **You** may, as an alternative to purchasing this **Addendum**, be able to purchase a similar product from a company of **Your** choice. **This GAP Program is not insurance, does not take the place of insurance on the Collateral, and does not afford collision, comprehensive, or any other form of automobile insurance coverage.** **You** are responsible for all communications with **Your Primary Carrier** including notice and claims.

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 ADDENDUM IS VOLUNTARY AND IS NOT REQUIRED IN ORDER FOR YOU TO OBTAIN CREDIT, DOES NOT IMPACT THE CREDIT TERMS, AND HAS NO EFFECT ON THE TERMS OF THE RELATED SALE OF THE COLLATERAL.**

The coverage under this **Addendum** may decrease over the term of **Your Financing Contract**. **You** should carefully read all pages of this **Addendum** for additional information on conditions, limitations, and exclusions that could prevent **You** from receiving any amount due under a **Qualifying Loss** attributed to a **Constructive Total Loss**.

By **Your** signature below, **You** acknowledge: 1) **You** have read and understand this **Addendum**; 2) no other verbal representations have been made to **You** that differ from these written provisions; 3) this **Addendum** is not an insurance policy or part of an insurance policy; and 4) **You** authorize release of the **Financing Contract** or any other information required for processing this **Addendum** or processing of a loss.

_____ Customer/Borrower Signature	_____ Date	_____ Dealer/Creditor	_____ Date
_____ Co-Customer/Borrower Signature	_____ Date	_____ Title	

**PROGRAM LIMITS**

Maximum AFVR (amount-financed-to-value ratio): Standard Loans: No Limit Deferred Loans, Balloon Loans, and Leases: 125%	Maximum Term: 84 Months	Maximum Limit of Coverage: \$50,000	Maximum Amount Financed Limit: \$100,000
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**YOUR RIGHT TO CANCEL:** You have the unconditional right to cancel this optional **Addendum** for a refund/credit of the unearned portion of the charge for this **Addendum** at any time. If the **Addendum** is terminated or cancelled by You within thirty (30) days of the **Addendum** purchase, You will receive a full refund/credit of the **Addendum** cost, provided no loss has occurred. After thirty (30) days, You will receive a refund/credit of the **Addendum** cost calculated by the Pro Rata refund method, or by the refund method as may be required by state or federal law, less a \$50.00 cancellation fee, where such cancellation fee is permitted by law. To cancel this **Addendum** and request a refund/credit, You must contact the **Creditor**, in writing, at the address shown on page one. If the refund/credit is not received within sixty (60) days of notice of cancellation, You may contact the **Administrator** shown below. In the event of a cancellation, the **Financial Institution/ Lender** will be named as payee on all refunds and sole payee on a repossession refund.

A **Qualifying Loss** must be reported to the **Administrator** within ninety (90) days from the **Settlement Date**. No amount will be waived for any **Qualifying Loss** reported after ninety (90) days. In the event there is no **Primary Insurance**, the **Customer/Borrower** has ninety (90) days from the **Date of Loss** to report a **Qualifying Loss**. A **Qualifying Loss** will cause this **Addendum** to terminate and be fully earned and not subject to any cancellation refund.

**QUALIFYING LOSS PROCEDURES:** In the event of a **Constructive Total Loss**, You must notify and provide the following to the **Administrator**: 1) a copy of the **Financing Contract** and a copy of this signed **Addendum**, 2) a copy of the **Financing Contract** payment history and pay-off quote as of the **Date of Loss**, 3) a legible copy of the police report, which must include confirmation of the **Collateral** shown on this **Addendum**. If a police report is not available, and the cause of loss to **Collateral** was NOT due to theft, fire, or vandalism, a signed and notarized brief description of the loss (including confirmation of the **Collateral**) will be acceptable, 4) a copy of the settlement check, **Collateral** valuation report, total loss breakdown, and Declarations Page, issued by the **Primary Carrier** (provided **Primary Carrier** coverage is in effect on the **Date of Loss**), 5) a copy of the Bill of Sale (aka Buyer's Order, Purchase Agreement, etc.) as well as the manufacturer's invoice or window sticker (if the vehicle was purchased new), or a copy of the bookout sheet (if the vehicle was purchased used), 6) verification of any other refundable amounts, 7) any additional or reasonable documentation requested by the **Administrator**. The **Administrator** will not be able to obtain this information for You.

**REPORT A QUALIFYING LOSS TO OUR ADMINISTRATOR:**

Administrator: Comprehensive Auto Resources Company, Inc., P.O. Box 1268, Exton, PA 19341, (877) 902-8790  
Qualifying Loss Documentation Fax Number: (610) 524-8504 Email: Claims@c-a-r-co.com

**CONDITIONS**

- Standard Loans** have no amount-financed-to-value ratio (AFVR) limit. However, coverage on **Deferred Loans, Balloon Loans, and Leases**, 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**. **Financing Contracts** that exceed the maximum AFVR will not be disqualified from coverage; however, this **Addendum** will not cover any portion of the **Net Payoff** in excess of the maximum AFVR limit.
- Concealment, Misrepresentation, and Fraud: This **Addendum** may not cover a **Qualifying Loss** if You, the **Customer/Borrower**, intentionally conceal or misrepresent any material fact relating to this **Addendum**.
- You are responsible for making at least the minimum payment under the terms of the **Financing Contract** for each payment due after the **Date of Loss**.
- Should You not have collectible automobile physical damage insurance on the **Date of Loss**, it is Your responsibility to advise the **Administrator** within ninety (90) days from the **Date of Loss** and have the **Collateral** available for inspection by the **Administrator** (inspection costs are Your responsibility). The **Collateral** must be available for the **Administrator's** inspection to determine if the **Collateral** is a total loss, except in the case of unrecovered theft. The **Administrator** will calculate the **Actual Cash Value** of the **Collateral** immediately prior to the loss.
- Coverage under this **Addendum** applies only to a **Qualifying Loss** sustained while the **Collateral** is within the United States of America (USA), its territories or possessions, Canada, or being transported between any parts thereof.

**MITIGATION OF LOSS**

You should do all things reasonable and practical to avoid any loss covered under this **Addendum** and to protect the **Collateral** from any further loss. You should also take reasonable measures to ensure that the maximum amount of **Actual Cash Value** of the **Collateral** is paid by Your **Primary Carrier**.

**TERMINATION OF ADDENDUM**

This **Addendum** will terminate on the earliest date that one of the following events occurs: 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 **Collateral**; 4) in the event of a **Constructive Total Loss** or theft of the **Collateral**; or 5) the date the **Financing Contract** is prepaid or the **Financing Contract** is refinanced.

**EXCLUSIONS**

In addition to other provisions herein, this **Addendum** does not provide coverage for:

- any loss occurring prior to the effective date of this **Addendum**.
- any loss occurring prior to the **Financing Contract** inception date shown on page one.
- any loss due to confiscation of the **Collateral** by a government body or public official.
- any loss caused by theft, fire, or vandalism, unless a police report is filed.
- any loss resulting from the **Collateral** being operated, used, or maintained in any race, speed contest, or other contest.
- Collateral** held as security under any wholesale, floor plan, field warehouse, or any type of financing made to a dealership or its employees.
- Collateral** with a GVWR exceeding 12,500 lbs., unless the **Commercial Use** option is selected on page one of this **Addendum** and the appropriate premium is paid.
- Collateral** used as an emergency vehicle, for livery or delivery, 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). Commercial transactions are excluded where prohibited by law.
- any loss occurring after the **Collateral** has been repossessed by the **Lender** or placed in their possession or in the possession of their employees or agents.
- Collateral** with a **Financing Contract** where the contract term exceeds the Maximum Term as shown on the top of this page.
- any amounts deducted from the **Primary Carrier** settlement including but not limited to: wear and tear, prior damage, unpaid insurance premiums, towing, storage, and salvage.
- certain vehicles, including but not limited to: Aston Martin, Bentley, Daewoo, Ferrari, Lamborghini, Lotus, Maserati, Rolls Royce, Tesla, and Yugo.
- any loss attributable to other than the standard or optional equipment available from the manufacturer of the **Collateral**, 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.
- Collateral** 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**.
- any loss resulting directly or indirectly from any dishonest, fraudulent, criminal, or illegal act, or arising from an intentional act committed by You.
- Collateral** secured with a **Deferred Loan, Balloon Loan, or Lease**, unless the **Loan** has been reported to us as such and the appropriate premium has been paid.
- a **Financing Contract** that is self-financed, or a cash sale.

## DEFINITIONS

**Actual Cash Value (ACV)** means the retail value of the **Collateral** on the **Date of Loss**, 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.

**Addendum** means this **GAP Addendum** to the **Installment Sales Contract**.

**Assignee/Lender/Creditor/Financial Institution** means the entity to which **Your Financing Contract** is sold, assigned or transferred.

**Balloon Loan** means any **Loan** that does not fully amortize over its term, thus requiring a balloon payment at the end of the term to repay the remaining principal balance of the **Loan**. This **GAP Addendum** will not provide coverage for **Balloon Loans**, unless the **Financing Contract** was reported as such and the appropriate premium was paid.

**Collateral** is the vehicle described on page one of this **Addendum** and described in the **Financing Contract**.

**Commercial Use** means **Collateral** that is utilized for commercial/business purposes including but not limited to: 1) business name is displayed on the vehicle; 2) the vehicle is used in furtherance of business or commercial purposes; or 3) the purchase, license, registration, or primary insurance is in a business or commercial name or policy. No coverage is provided for a **Commercial Use** loss unless the **Commercial Use** option is selected on page one of this **Addendum** and the appropriate premium is paid. **Collateral** listed under EXCLUSION H is not eligible for coverage.

**Constructive Total Loss** means a direct and accidental loss of or damage to the **Collateral**, which meets one of these criteria: 1.) the total cost to repair the **Collateral** is greater than or equal to the **Actual Cash Value** of the **Collateral** immediately prior to the loss; or 2.) the **Customer/Borrower's Primary Carrier** declares the **Collateral** a total loss. In the case there is no primary insurance coverage, the **Collateral** must be available for the **Administrator's** inspection to determine if the **Collateral** is a total loss, except in the case of unrecovered theft.

**Customer/Borrower** is the natural person(s) or business named in the **Financing Contract** purchasing this **Addendum** from the **Dealer/Creditor**.

**Date of Loss** means the date on which the **Collateral** is reported stolen or incurs physical damage that is severe enough to constitute a **Constructive Total Loss**.

**Deferred Loan** means any **Financing Contract** with unequal payments, including but not limited to: **Balloon Loans, Leases, Flex-Payment** programs, or promotional reduced APR loans. This **GAP Addendum** will not provide coverage for **Deferred Loans**, unless the **Financing Contract** was reported as such and the appropriate premium was paid.

**Delinquent Payment** means any payment, as described in the **Financing Contract**, which remains unpaid 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 instrument for the purchase of the **Collateral**, which sets forth the terms, conditions, inception date, and expiration date of the financing instrument.

**Lease** means any financial agreement whereby the **Lender** purchases the **Collateral** on behalf of the **Customer** and then leases the **Collateral** to the **Customer** in return for monthly rental payments. This **GAP Addendum** will not provide coverage for **Leases**, unless the **Financing Contract** was reported as such and the appropriate premium was paid.

**Loan** means **Financing Contract**.

**Net Payoff** means the amount, as of the **Date of Loss**, represented by the portion of **Your** unpaid balance according to the original payment schedule of the **Financing Contract** that is secured by the **Collateral**, subject to the following limitations: the amount does not include any unearned finance charges or loan charges; **Delinquent Payments** or skipped payments; late charges; uncollected service finance charges; refundable prepaid taxes and fees; disposition fees; termination fees; penalty fees; the recoverable portion of finance service charges or the recoverable portion of financed amounts for unearned insurance premiums or refundable charges (including but not limited to credit life, credit disability, and vehicle service coverages/warranties) that are owed by **You** on the **Date of Loss**; and amounts that are added to the financing instrument balance after the inception date of the **Financing Contract**.

**Primary Carrier** means the insurance company selected by **You** prior to the **Date of Loss** that underwrites a policy of insurance providing physical damage coverage on the **Collateral**, or, the insurance company that provides liability coverage to any person who has caused the **Collateral** to incur a **Constructive Total Loss**.

**Qualifying Loss** means the difference between the **Net Payoff** and the **Primary Carrier** settlement or in the event of no **Primary Carrier**, the **Net Payoff** and the **Actual Cash Value**. The **Qualifying Loss** will not exceed the Maximum Limit of Coverage as shown on the top of page two. If settlement by the **Primary Carrier** or the **Actual Cash Value** is greater than or equal to the outstanding balance, no **Qualifying Loss** will be afforded under this **Addendum**. **Qualifying Loss** includes the amount of the physical damage deductible on the **Primary Carrier** policy up to \$1,000. In the event that there is no **Primary Carrier** coverage in effect on the **Date of Loss**, if the **Primary Carrier** is declared insolvent, if no proceeds are received from the **Primary Carrier** policy, or if there are policy limits on the **Primary Carrier** policy which preclude the **Primary Carrier** from settling for full **Actual Cash Value**, the **Addendum** will only cover the difference between the **Net Payoff** and the **Actual Cash Value** of the **Collateral** on the **Date of Loss**. If there is no **Primary Carrier**, the **Collateral** must be available for inspection by the **Administrator** to determine if the **Collateral** is a **Constructive Total Loss**, except in the event of an unrecovered theft.

**Settlement Date** - the date on which the **Primary Carrier** issues the settlement check for the **Collateral**

**Standard Loan:** A **Loan** between the **Customer** and **Financial Institution**, with a fixed interest rate, term, and uniform payments, with the first payment due within forty-five (45) days or less.