



Comprehensive Auto Resources Company

Agreement No.: CMFV-150-

# GAP ADDENDUM

Financing Agreement Type:  Installment Sale Contract  Loan  Lease  Other

The **Addendum** is between the **Customer/Borrower (You or Your)** and the **Dealer/Creditor (We, Us, or Our)** or if the **Financing Contract** is assigned with the assignee.

### 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:

ENROLLMENT CHARGE \$ \_\_\_\_\_

### LENDER/CREDITOR/ASSIGNEE INFORMATION

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

### 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 past due amounts, payment extensions, or any items listed in 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 which is 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. If You purchase this Addendum from us, You understand that we may retain all or a portion of the charge paid by You.**

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 the front and back of this **Addendum** for additional information on conditions, limitations and exclusions that could prevent **You** from receiving the amount due under a **Qualifying Loss** attributed to a **Constructive Total Loss**.

This **Addendum** has no coverage to any **Collateral** where: a) the amount financed is greater than the Maximum Amount Financed Limit; and/or b) the **Financing Contract** term exceeds the Maximum Term stated above. This **Addendum** is not available in NY, TX, OR, MT, or NV.

By **Your** signature below, **You** acknowledge **You** have read and understand this **Addendum** and its **CONDITIONS** and no other verbal representations have been made to **You** that differ from these written provisions and that this **Addendum** is not an insurance policy or part of an insurance policy. **You** authorize release of **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: 150% MSRP/NADA	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 (No Cancellation fee on Ford Motor Credit Company contracts). To cancel this **Addendum** and request a refund/credit, You must contact the **Dealer/Creditor**, in writing, at the address shown on page 1. If the refund/credit is not received within sixty (60) days of notice of cancellation, 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. Please submit: 1) a copy of the **Financing Contract** and a copy of this signed **Addendum**, 2) a copy of the **Financing Contract** history and pay-off 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 or fire, 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 and 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). If the vehicle was purchased used, a copy of the bookout sheet, 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, 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](mailto:Claims@c-a-r-co.com)

### CONDITIONS

1. 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**.
2. You are responsible for making at least the minimum payment under the terms of the **Financing Contract** for each payment due scheduled after the **Date of Loss** until the request for a **Qualifying Loss** has been processed.
3. 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.
4. This coverage 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.
5. This **Addendum** will provide coverage to the **Collateral** where the Amount Financed to Value Ratio (AFVR) exceeds the Maximum AFVR stated above however, the **Addendum** will not cover the amount exceeding the Maximum AFVR.

### 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 earlier 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 loss:

- A. occurring prior to the effective date of this **Addendum**.
- B. occurring prior to the **Financing Contract** inception date shown in the schedule.
- C. due to confiscation of the **Collateral** by a government body or public official.
- D. caused by theft, unless a police report is filed.
- E. resulting from the **Collateral** being operated, used, or maintained in any race, speed contest, or other contest.
- F. to the **Collateral** held as security under any wholesale, floor plan, field warehouse, or any type of financing made to a dealership or its employees.
- G. to the **Collateral**, while used for **Commercial Purposes**.
- H. occurring after the **Collateral** has been repossessed by the **Financial Institution/Lender** or placed in their possession or in the possession of their employees or agents.
- I. to **Collateral** with a **Financing Contract** in which the Amount Financed for **Collateral** exceeds the Maximum Amount Financed Limit shown on the top of this **Addendum** at the inception date of the **Financing Contract**.
- J. to **Collateral** with a **Financing Contract** where the contract term exceeds the Maximum Term as shown on the top of this **Addendum**.
- K. where the **Financing Contract** has an annual percentage rate (A.P.R.) in excess of the Maximum APR Limit shown on the top of this **Addendum**.
- L. for any amounts deducted from the **Primary Carrier** settlement due to wear and tear, prior damage, unpaid insurance premiums, and towing and storage.
- M. to the following vehicles which are excluded from coverage: Aston Martin, Bentley, Daewoo, Ferrari, Lamborghini, Lotus, Maserrati, Rolls Royce, Saab, Saturn and Yugo.
- N. 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.
- O. to the **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**.
- P. resulting directly or indirectly from any dishonest, fraudulent, criminal, or illegal act or arising from an intentional act committed by You.
- Q. from a **Financing Contract** that does not have uniform scheduled payments after the first payment is made and/or a **Financing Contract** or **Loan** that is self-financed. The first payment must be made within forty-five (45) days of the **Financing Contract** inception date.

## **DEFINITIONS**

**Actual Cash Value (ACV)** means the retail value of the **Collateral** on the **Date of Loss**, as listed in a national or regional guide, such as National Automobile Dealers Association (NADA) or an equivalent national or regional guide for the territory in which the **Collateral** is principally garaged.

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

**Collateral** is the vehicle described in the schedule of this **Addendum** and described in the **Financing Contract**.

**Commercial Purposes** means the use of the **Collateral** as a taxicab, public omnibus, jitney or sightseeing conveyance, or for carrying goods or passengers for compensation or hire or the **Collateral** exceeds 12,500 lbs (GVWR).

**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** - 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**.

**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.

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

**Installment Sales Contract** means **Financing Contract**.

**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/financing charges; past due payments/skipped payments as described in the **Financing Contract**; 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, 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 in the **Addendum** schedule. 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**, or if the **Primary Carrier** is declared insolvent, or if no proceeds are received from the **Primary Carrier** policy, 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**

## STATE PROVISIONS

The following state specific requirements are added to and become part of **Your Addendum** and supersede any other provision to the contrary:

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

**Alaska:** The deductible provision is excluded for GAP **Addendums** sold in Alaska.

**Colorado:** In accordance with Colorado Rule 8, before purchasing and signing the GAP **Addendum**, it is required that **You** review the following:

1. **The purchase of GAP is not required in order to obtain the credit or any particular or favorable credit terms;**
2. **The fee for GAP is disclosed;**
3. **You may wish to consult an insurance agent to determine whether similar coverage may be obtained and at what cost;**
4. **GAP benefits may decrease over the term of the consumer credit sale or consumer loan;**
5. **You may cancel GAP for any or no reason within thirty (30) days after GAP was purchased and receive a full refund of the GAP fee so long as no loss or event covered by GAP has occurred. If it is cancelled after thirty (30) days, the refund will be on a pro-rata basis.**
6. **GAP is not a substitute for collision or property damage insurance.**

This **Addendum** is not applicable to Leases in the state of Colorado. As regards to cancellation of the GAP Protection and discontinuation of its benefits, the separate cancellation form being provided to **You** should be completed and sent to the address indicated on the form. GAP must pay or forgive the deficiency balance that would have been owed if the consumer had maintained property damage insurance on the automobile (even if the consumer has not done so) or if the creditor has purchased property damage insurance for the automobile and added it to the amount of the debt. A consumer shall have ninety (90) days after the loss settlement from any property damage insurance or from the date the creditor notifies the consumer of any deficiency balance owed, whichever is later, to file a GAP claim or seek debt cancellation from the creditor

**Georgia:** The effective date of any cancellation may be no earlier than ninety (90) days prior to the date such written notice is received by the Dealer/Creditor.

**Illinois:** There is no deductible coverage available for **Vehicles** leased in Illinois.

**Indiana: Financing Contracts** where the amount financed is less than 80% of MSRP are not eligible for participation in this GAP program. **You** may be able to obtain GAP coverage from **Your Primary** insurance **Carrier**. For Questions or Complaints, **You** may contact the Indiana Department of Financial Institutions at: 30 South Meridian St., Suite 300, Indianapolis Indiana 46204, 1-800-382-4880.

**Kansas: This GAP Addendum may not cancel or waive the entire amount owing at the time of loss. Actual Cash Value (ACV)** means the retail value of the **Collateral** on the **Date of Loss**, prior to its physical damage or theft, as determined by the **Borrower's Primary Carrier** net of the **Borrower'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 a national or regional guide, such as National Automobile Dealers Association (NADA) or an equivalent national or regional guide for the territory in which the **Collateral** is principally garaged. For Questions or Complaints, **You** may contact the Office of the State Bank Commissioner, 700 S.W. Jackson #300, Topeka, KS 66603, (785) 296-2266 or toll free 1-877-387-8523.

**Louisiana:** The extender of credit hereby agrees, by acceptance of this **Addendum** as an amendment to the **Installment Sales Contract** upon assignment, to waive **Your** liability for the difference between the **Outstanding Balance** (excluding past due amounts, payment extensions, insurance or other charges as described in this **Addendum**) under the **Installment Sales Contract** and the **Actual Cash Value** of **Your** vehicle as of the **Date of Loss** of **Your** vehicle. The deductible provision is excluded for GAP **Addendums** sold in Louisiana.

**Maryland:** The \$50,000 maximum deficiency benefit is not applicable. "**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 **Primary Insurance** company. If no **Primary Insurance** company exists, the retail value will be determined by the Program Administrator using the nationally or regionally-recognized guide, such as National Automobile Dealers Association (NADA) or Kelley Blue Book (KBB), based on the best information available on the vehicle's options, mileage and condition. The "**Outstanding Balance**" shall not include **Delinquent** or deferred **Payments**, past due charges, late payment charges, unearned interest, unearned rental payments, the portion of any financed taxes or charges, including charges for credit life insurance, credit health insurance, credit involuntary unemployment insurance and mechanical repair contracts actually refunded to the Buyer or credited as a reduction to the loan balance, and any **Primary Insurance** deductible in excess of \$1,000. The following is added and supersedes any other provision to the contrary: "This **Addendum** is only available on **Financial Agreements** with terms of eighty-four (84) months or less where the amount financed is less than or equal to 150% of the MSRP for a new **Vehicle** or NADA retail for a used vehicle as determined on the **Addendum** effective date. No coverage is provided if the term exceeds eighty-four (84) months or if the amount financed exceeds 150%. In the event **You** receive a **Addendum** with a term exceeding eighty-four (84) months or if the amount financed exceeds 150%, no benefit will be provided; however, **You** are entitled to a full refund of the GAP **Addendum** cost." Exclusions "L" and "N" are removed in their entirety.

**Nebraska:** This **Addendum** is not insurance and is not regulated by the Nebraska Department of Insurance. The **Financial Institution / Lender** or Administrator cannot unilaterally modify the terms of the waiver unless the modification is favorable to the **Borrower** and is made without additional charge to the **Borrower**, or the **Borrower** is notified of the proposed modification and has the option to cancel the **Addendum** without penalty

**Tennessee:** The cost of the **Addendum** is not regulated and **You** have the responsibility to determine whether the cost of the **Addendum** is reasonable in relation to the coverage afforded by this **Addendum**. The effective date of any cancellation may be no earlier than ninety (90) days prior to the date such written notice is received by Program Administrator.

**Utah:** The **Addendum** is subject to limited regulation by the Utah Insurance Commissioner. Complaints regarding the GAP **Addendum** may be submitted to the offices of the Utah Insurance Commissioner.

**Vermont:** The **Dealer/Creditor** must assign, sell or transfer, within fifteen (15) business days, the **Financing Contract** to a **Financial Institution/Lender** as defined in subdivision 1110(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 the **Addendum**.

**Washington:** 1. Any refund of purchase price for an **Addendum** that was included in the financing of the **Collateral** may be applied by the creditor as a reduction of the overall amount owed under the **Financing Contract**, rather than applying the refund strictly to the purchase price of the **Addendum**. 2. The **Addendum** is not credit insurance, nor does it eliminate **Your** obligation to insure the **Collateral** as provided by laws of this state. Purchasing an **Addendum** does not eliminate **Your** rights and obligations under the vendor single-interest and collateral protection coverage laws of this state. 3. **CONDITION 1** is amended to read: This **Addendum** shall be void if any material fact(s) have been intentionally concealed or misrepresented, or in the case of fraud. **You** may cancel this **Addendum** within thirty (30) days of the date of purchase and will be entitled to a full refund of the purchase price, so long as no benefits have been provided. **You** may cancel this **Addendum** after thirty (30) days from the date of purchase and at any time prior to the occurrence of a **Total Loss** by providing a written request to cancel to the Dealer/**Financial Institution** or Program Administrator within ninety (90) days of the event terminating the **Financial Agreement**. The refund will be calculated using the pro rata refund method. If the cancellation of this **Addendum** occurs as a result of a default under the **Financial Agreement** or the repossession of the **Vehicle** associated with the **Financial Agreement**, or any other termination of the **Financial Agreement**, any refund due may be paid directly to the **Financial Institution** to be applied as a reduction of the amount owed unless **You** can show that the **Financial Agreement** has been paid in full. This **Addendum** will not be reinstated after a cancellation has been processed. If **We** cancel, **We** will provide **You** and the **Financial Institution** a forty-five (45) day notice of cancellation (ten (10) days for non-payment of premium) which will include the effective date and reason for cancellation and calculate **Your** refund pro rata. Notice of cancellation will state the effective date of cancellation. The **Addendum** period will end on that date. This **Addendum** shall only be void if there has been any intentional withholding, concealment or misrepresentation of a material fact by **You** or someone acting on **Your** behalf, or in the event of fraud.

**Wisconsin:** This **Addendum** complies with the Wisconsin **Consumer Act**, Chapters 421-427 of the Wisconsin Statutes. This **Addendum** is between the **Borrower** and Seller, or if assigned, with the assignee, pursuant to the terms and conditions of this **Addendum**. This **Addendum** is applicable to **Installment Sales Contracts**, leases, and balloon loans. This **Addendum** will also terminate upon payment in full of the Installment Sale/Lease Agreement or expiration of any redemption period following the repossession or surrender of the **Vehicle**. **You** will not be charged for the cost of any appraisal requested by Program Administrator. To cancel this **Addendum**, contact the Program Administrator at P.O. Box 35008, Tulsa, OK 74153-0008, 800-331-3780. **You** are entitled to a refund of the unearned portion of the GAP charge following any termination of this **Addendum** for any reason and a refund will be calculated by the pro-rata method and provided to **You** following any termination of this **Addendum**. The owner or Lessee of this **Vehicle** is covered by this **Addendum**. If this **Addendum** is canceled during the first thirty (30) days, the refund will include the amount of any applicable finance charges. This **Addendum** will be deemed fully earned only when a GAP benefit has been or will be paid to **You** or if the term has expired.

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