



# GAP DEFICIENCY WAIVER ADDENDUM

Agreement Number: \_\_\_\_\_

# GAP

### CUSTOMER (BORROWER/LESSEE) INFORMATION

Last Name \_\_\_\_\_ First Name \_\_\_\_\_ Middle Initial \_\_\_\_\_  
 Street Address \_\_\_\_\_ Apt # \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_  
 Home Phone # \_\_\_\_\_ Bus. Phone # \_\_\_\_\_

### COVERED VEHICLE INFORMATION

Manufacturer \_\_\_\_\_ Model \_\_\_\_\_ Year \_\_\_\_\_  
 Vehicle ID # \_\_\_\_\_ Date of Purchase \_\_\_\_\_  
 MSRP/NADA Value \$ \_\_\_\_\_ Odometer Reading at Time of Purchase \_\_\_\_\_

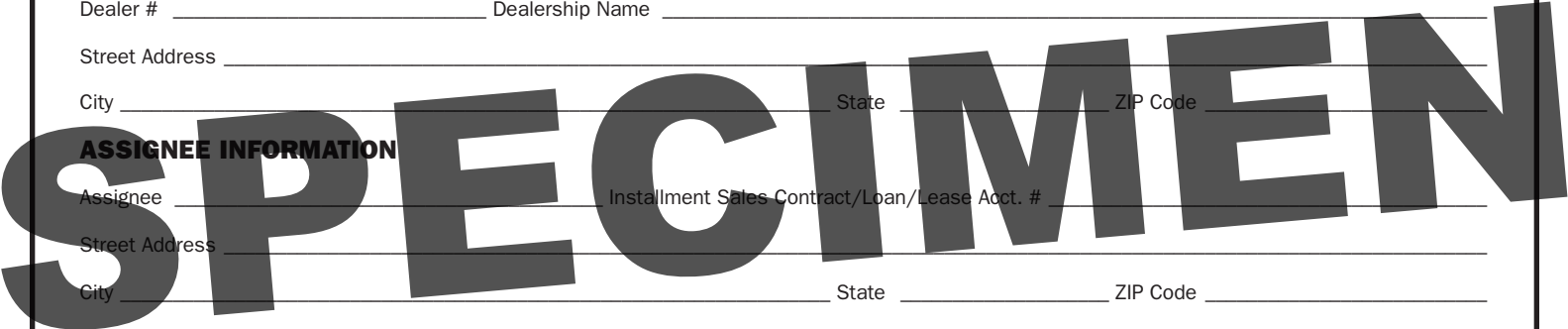
**Charge to CUSTOMER for DEFICIENCY WAIVER ADDENDUM \$ \_\_\_\_\_ APR \_\_\_\_\_ %**  
 Installment Sales Contract/Loan  Balloon Loan/Lease  Amount Financed/Lease Cap \$ \_\_\_\_\_ Term (in Months) \_\_\_\_\_ New Vehicle  Used Vehicle

### DEALER INFORMATION

Dealer # \_\_\_\_\_ Dealership Name \_\_\_\_\_  
 Street Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_

### ASSIGNEE INFORMATION

Assignee \_\_\_\_\_ Installment Sales Contract/Loan/Lease Acct. # \_\_\_\_\_  
 Street Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_



**THE PURCHASE OF THE DEFICIENCY WAIVER ADDENDUM IS VOLUNTARY, WILL NOT BE A FACTOR IN THE CREDIT APPROVAL PROCESS AND NEITHER THE EXTENSION OF CREDIT, THE TERMS OF THE CREDIT, NOR THE TERMS OF THE RELATED MOTOR VEHICLE SALE OR LEASE, MAY BE CONDITIONED UPON THE PURCHASE OF THE GAP WAIVER.**

I (CUSTOMER), WHOSE SIGNATURE APPEARS BELOW, ACKNOWLEDGE THAT THE INFORMATION CONTAINED ABOVE IS, TO THE BEST OF MY KNOWLEDGE, TRUE. I HAVE READ THE FRONT AND BACK OF THIS DEFICIENCY WAIVER ADDENDUM IN ITS ENTIRETY; I UNDERSTAND THAT I AM ENTERING INTO A CONTRACTUAL AGREEMENT WITH THE DEALER/ASSIGNEE; I AGREE TO ALL OF ITS PROVISIONS, TERMS AND CONDITIONS; AND I AM REQUESTING COVERAGE. **I UNDERSTAND THAT A CANCELLATION REQUESTED WITHIN THIRTY (30) DAYS OF PURCHASE IS ELIGIBLE FOR A FULL REFUND. I UNDERSTAND THAT A CANCELLATION REQUEST RECEIVED AFTER THIRTY (30) DAYS OF PURCHASE WILL BE REFUNDED PRO-RATA AND IS SUBJECT TO A CANCELLATION FEE, UNLESS OTHERWISE REQUIRED BY APPLICABLE LAW. IF THE CHARGE TO CUSTOMER FOR THE ADDENDUM WAS INCLUDED IN THE FINANCING OF THE COVERED VEHICLE, ANY REFUNDS FOR CANCELLED ADDENDUMS MAY BE APPLIED BY THE DEALER/ASSIGNEE AS A REDUCTION OF THE OVERALL AMOUNT OWED UNDER THE FINANCE AGREEMENT, RATHER THAN APPLYING THE REFUND STRICTLY TO THE PURCHASE PRICE OF THE ADDENDUM. THIS ADDENDUM DOES NOT TAKE THE PLACE OF INSURANCE ON THE COVERED VEHICLE. REFINANCING THE COVERED VEHICLE/FINANCE AGREEMENT VOIDS THIS ADDENDUM.**

Customer Signature \_\_\_\_\_ Date \_\_\_\_\_ Dealer Signature \_\_\_\_\_ Date \_\_\_\_\_

### COVERAGE

Customer is responsible to the named Dealer/Assignee under the terms of the described Finance Agreement 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 Dealer/Assignee agrees to cancel a portion of the Customer's indebtedness in the event of a Total Loss of the Covered Vehicle as defined herein.

This Addendum will waive the amount equal to the Unpaid Net Balance less the Actual Cash Value of the Covered Vehicle, both as defined herein, subject to the Actual Cash Value not having been reduced by more than \$1,000 as a result of the application of the Customer's Primary Insurance deductible. Any deductible amount in excess of \$1,000 remains the Customer's responsibility. There is no deductible coverage available for vehicles leased in Illinois. It is further agreed that the maximum Total Loss Waiver Benefit is limited to \$50,000. This Addendum may not waive the entire amount owed at the time of loss if the Amount Financed on the Finance Agreement exceeds 150% of the MSRP for new vehicles or 150% of the NADA retail value for used vehicles, if the term of the Finance Agreement exceeds 84 months, or if other excluded charges (as defined in this Addendum) are included in the Unpaid Net Balance.

### 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 COVERED VEHICLE.

Customer Signature \_\_\_\_\_ Date \_\_\_\_\_ Dealer Signature \_\_\_\_\_ Date \_\_\_\_\_

**Administrator:** 3500 Piedmont Road NE, Suite 400, Atlanta, Georgia 30305 • 800-742-7896

# TERMS AND CONDITIONS

## 1. DEFINITIONS

For the purpose of this Deficiency Waiver Addendum (“**Addendum**”) the following terms shall mean:

**Actual Cash Value** means the retail value of the Covered Vehicle, on the Date of Loss, prior to its physical damage or theft, as determined by the Primary Insurer. If no Primary Insurer exists, the Primary Insurer has been declared insolvent, or the Primary Insurance policy has either a stated value or a limit of liability that is less than the value of the Covered Vehicle, the retail value will be determined 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 Covered Vehicle’s options, mileage and condition. If Administrator provides Customer with evidence that Primary Insurer did not pay a fair Actual Cash Value or missed options/equipment on the Covered Vehicle, Customer may be required to contact Primary Insurer to request a higher Actual Cash Value and payment.

**Administrator** means Safe-Guard Products International, LLC.

**Assignee** means the financial institution extending the loan/lease amount to Customer under the terms of the Finance Agreement.

**Commercial Use/Vehicle** means utilization of the Covered Vehicle for any commercial purpose. A vehicle registered as commercial to a business or covered by a commercial Primary Insurance policy shall be deemed commercial. Vehicles used for competitive driving, racing, off-road use, hire to the public, livery, delivery services, rental, pool cars, emergency vehicles or if equipped or identified as a snow plow are deemed commercial. Trailers, special commercial optional equipment, accessories and body components are not covered.

**Covered Vehicle** means the vehicle listed on the front of this Addendum, including all options and equipment, that is the subject of the Finance Agreement and is a four-wheeled private passenger vehicle, van, pickup or light truck that does not exceed 15,000lbs GVWR.

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

**Date of Loss** means the date on which the actual physical loss, damage or theft occurred to the Covered 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 occurs first.

**Dealer** means the automotive dealership listed on the front of the Addendum.

**Effective Date** means the date the Covered Vehicle and Addendum were purchased. Please note the Addendum must have been purchased on the same date as the Covered Vehicle.

**Finance Agreement** means the Installment Sales Contract, Loan, Lease or other agreement between the Customer and Dealer/Assignee entered into on the original date of sale/lease of the Covered Vehicle that evidences the terms and conditions of the loan.

**Primary Insurance** means a comprehensive/collision automobile insurance policy covering the Covered Vehicle against damage or loss from any cause including, but not limited to, collision and theft.

**Primary Insurer** means a third party insurance company providing comprehensive/collision coverage on the Covered Vehicle or a third party insurance company that determines and pays the Actual Cash Value of the Covered Vehicle in the event of a Total Loss.

**Settlement Date** means the date the Primary Insurer issued the settlement check or denial letter corresponding to the Total Loss of the Covered Vehicle.

**Total Loss** means a total or constructive total loss as defined by the individual Customer’s primary automobile physical damage carrier. If no primary automobile 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 Covered Vehicle has not been recovered after a minimum period of thirty (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 Finance Agreement account as of the Date of Loss subject to Paragraphs 2A and 2B. This amount shall not include any and all unearned and/or future interest or rental charges, finance or lease charges, late charges, missed or late payments, deferred payments, uncollected service charges, refundable prepaid taxes and fees, disposition fees, termination fees, penalty fees, charges related to scheduled non-uniform payments or Finance Agreement terms exceeding eighty-four (84) months or any proceeds which may be recovered by canceling any insurance coverages, service contracts and/or warranties, credit life, accident and health insurance or other cancelable items.

**Waiver Benefit** means the amount waived by the Dealer/Assignee pursuant to the terms of the Addendum.

## 2. DISCLAIMERS

**A.** No coverage is provided for that portion of the Unpaid Net Balance resulting from the Finance Agreement term exceeding eighty-four (84) months and/or containing non-uniform repayment terms (i.e. variable monthly payment amounts). These Finance Agreements will not be disqualified from coverage; however, the Unpaid Net Balance will be reamortized as if the Finance Agreement had an eighty-four (84) month term and/or uniform repayment terms, unless state law provides otherwise. The uniform repayment terms requirement does not apply to the final payment due on Balloon Loans or the residual payment due on Leases.

**B.** No coverage is provided for that portion of the Unpaid Net Balance resulting from the amount financed/lease cap cost exceeding one-hundred-fifty (150%) percent of the Manufacturer’s Suggested Retail Price (MSRP) for New Vehicles or one-hundred-fifty (150%) percent of NADA or KBB Official Used Car Guide’s “Retail” value, whichever is the regionally-recognized guide for Used Vehicles, at the inception date of the Finance Agreement. These Finance Agreements will not be disqualified from coverage; however, the Unpaid Net Balance will be determined based on this maximum limit by reamortizing the loan as if only one-hundred-fifty (150%) percent of MSRP or NADA/KBB (as applicable) had been financed and Customer had been making payments on that amount pursuant to the finance rate and term set forth in the Finance Agreement, unless state law provides otherwise.

**C.** Primary Insurance: Should the Customer not have collectible automobile physical damage insurance on the Date of Loss, it is the responsibility of the Customer to advise Administrator in writing immediately when the loss is discovered and Administrator will calculate the Actual Cash Value of the Covered Vehicle immediately prior to the loss.

**D.** This Deficiency Waiver Addendum is transferable if the Finance Agreement is assumed by a third party individual, no terms of the Finance Agreement are modified other than the identity of the Borrower, and the twenty-five (\$25) dollar transfer fee is received by Administrator within thirty (30) days of the Covered Vehicle’s transfer. Copies of the front of this Addendum, the revised Finance Agreement and a check for twenty-five (\$25) dollars are required by Administrator to process the transfer request. This Addendum is not transferable to another vehicle or another Finance Agreement. This Addendum is valid only while payments are due to the original Assignee under the original Finance Agreement. This Addendum terminates upon (i) refinancing the Covered Vehicle’s Finance Agreement or (ii) payment in full of the original Finance Agreement.

**E.** This Addendum is cancelable. To cancel the Addendum, Customer must provide Administrator or Dealer with written notice of Customer’s request to cancel the Addendum. The effective date of such cancellation is the date such written notice is received by Administrator or Dealer. This Addendum may be cancelled for a full refund of the Charge to Customer for the Deficiency Waiver Addendum within thirty (30) days of the Effective Date of the Addendum provided that no Waiver Benefit has been provided. After thirty (30) days any refunds will be calculated pro-rata less a thirty-five (\$35) dollar processing fee, unless otherwise required by applicable state law. However, in the event a Waiver Benefit has been provided, this Addendum will be deemed as fully earned, and no refund will be due or paid to the Customer. If Customer cancels this Addendum due to early termination of the Finance Agreement, Customer must provide the written cancellation request within ninety (90) days of the occurrence of the event terminating the Finance Agreement. Any refund due under this Addendum will be made payable to the Assignee unless Customer provides Administrator with written documentation from Assignee stating the Finance Agreement has been paid in full. If the cancellation of the Addendum occurs as a result of a default under the Finance Agreement or the repossession of the Covered Vehicle, any refund due may be paid directly to the Assignee. If the Charge to Customer for the Addendum was included in the financing of the Covered Vehicle, any cancellation refund may be applied by the Assignee as a reduction of the overall amount owed under the Finance Agreement rather than applying the refund strictly to the purchase price for the Addendum.

**F.** This Addendum shall be void if any material fact(s) have been concealed or misrepresented, or in the case of fraud.

**G.** Coverage under this Addendum is not available for vehicles with salvage or junk title.

**H.** No coverage is provided for any deductions taken by the Primary Insurer for the following: Prior Damage, Salvage, Missing Items, Excess Towing, Custom Equipment and Storage.

**I.** No coverage is provided for the amount of Sales Tax and Title fee reimbursement owed by the Primary Insurer in applicable states.

**J.** Customer is responsible for making at least the minimum payment owed under the terms of the Finance Agreement for each payment due date scheduled after the Date of Loss until the request for a Waiver Benefit has been fully processed. In the event a Waiver Benefit is owed under the Addendum, Administrator will issue a refund to Customer or lien holder where applicable, for the portion of Customer’s payment(s) that should have been waived according to the terms of this Addendum.

**K.** This Addendum does not provide coverage for damage related to any personal property attached to or within the Covered Vehicle.

**L.** This Addendum only provides coverage if the Covered Vehicle is deemed a Total Loss. No coverage is provided under this Addendum if the Covered Vehicle is deemed a partial loss.

## 3. EXCLUSIONS

This Addendum does not apply to loss of or damage to the Covered Vehicle:

**A.** Resulting directly or indirectly from the legal confiscation of the Covered Vehicle by a public official;

**B.** Resulting directly or indirectly from any dishonest, fraudulent or illegal act by the Customer, family member or other person acting under the Customer’s authority;

**C.** Caused by a wilful, wanton or recklessly negligent act by the Customer, family member or other person acting under the Customer’s authority;

**D.** That is part of a fleet that is intended for use as a public or livery conveyance, or any Commercial Vehicle or vehicle being used for Commercial Use;

## TERMS AND CONDITIONS CONTINUED

- E.** Due to wear and tear, freezing, mechanical/electrical breakdown or failure;
- F.** Which occurs outside the United States, its territories or Canada;
- G.** When the Total Loss or theft results directly or indirectly from the Customer's or Customer's authorized representative's driving under the influence, driving while intoxicated or forgery;
- H.** If the purchase date of the Covered Vehicle is different than the purchase date of this Addendum or if the Total Loss occurs prior to the Effective Date of this Addendum;
- I.** Due to war, whether or not declared, invasion, civil war, insurrection, rebellion, revolution or terrorism;
- J.** Due to any acts occurring after the original maturity date of the Finance Agreement, Assignee's acceleration of the Finance Agreement or during or after the repossession of the Covered Vehicle;
- K.** Caused by conversion, embezzlement, or secretion by any person in lawful possession of the Covered Vehicle;
- L.** Due to the operation, use, or maintenance of the Covered Vehicle in any race or speed contest.

### 4. ARBITRATION PROCEDURE

**You agree that all individual, class action or other claims or disputes arising from or relating to this Addendum, whether in contract, tort, pursuant to statute, regulation, ordinance or in equity or otherwise and whether Your dispute is with Administrator, Provider, Selling Dealer, will be settled by impartial arbitration. To initiate arbitration, You must notify Administrator in writing of your desire to submit your issue to arbitration. You are responsible for providing Administrator with at least three proposed arbitrators.** Administrator has the right to question the proposed arbitrators to confirm neutrality and select any of the three to act as the Arbitrator. If Administrator demonstrates that none of the three proposed arbitrators are neutral, **You may be asked to proffer additional arbitrators until one is selected.** The Arbitrator is responsible for setting the ground rules and procedures for the arbitration. **You agree to abide by the arbitrator's decision and share the cost of arbitration equally,** unless the Arbitrator directs otherwise. If this section conflicts with the statutory or regulatory arbitration provision in the state in which this Addendum was purchased, the state's arbitration rules will govern.

### 5. STATE DISCLOSURES

**Kansas, Louisiana, Missouri, New Hampshire, New Mexico, Vermont and Wisconsin:** The cancellation/processing fee is not applicable.

**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 Administrator.

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

**Kansas:** Any clause requiring alternative dispute resolution (such as arbitration or mediation) to resolve any controversy related to this Agreement is not valid in Kansas. You may pursue any legal option available under state law.

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

**Nebraska:** This Addendum is not insurance and is not regulated by the Nebraska Department of Insurance. This Addendum remains a part of the Finance Agreement upon the assignment, sale, or transfer of such Finance Agreement by the creditor or the creditor's designee.

**New Hampshire:** In the event You do not receive satisfaction under this contract, You may contact the New Hampshire Insurance Department at 21 South Fruit Street, Suite 14, Concord, NH 03301, 800-735-2964. Obligations of the Dealer/Assignee under this Addendum are guaranteed under a reimbursement insurance policy issued by Virginia Surety Company, Inc., 175 W. Jackson Blvd., Chicago, IL 60604, 800-209-6206. If the Addendum benefit or refund is not provided by Administrator within sixty (60) days after all Waiver Benefit requirements have been met, Customer may apply for reimbursement directly from Virginia Surety Company, Inc. via the address or phone number listed above.

**Pennsylvania:** A portion of the charges you pay for your GAP coverage will be retained by the dealer.

**Tennessee:** The cost of this Addendum is not regulated, and the Customer has the responsibility to determine whether the cost of the Addendum is reasonable in relation to the protection afforded by the 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 Administrator.

**Utah:** This Addendum remains a part of the Finance Agreement upon the assignment, sale, or transfer of such Finance Agreement by the creditor or the creditor's designee. This Addendum is subject to limited regulation by the Utah Insurance Department. Complaints regarding this Addendum may be submitted to the Utah Insurance Department at 3110 State Office Building, Salt Lake City, UT 84114, (800)439-3805.

**Washington:** This Addendum shall be void if any material fact(s) have been intentionally concealed or misrepresented, or in the case of fraud. This Addendum is not credit insurance, nor does it eliminate the borrower's obligation to insure the Covered Vehicle as provided by the laws of Washington. Purchasing a guaranteed asset protection waiver does not eliminate Customer's rights and obligations under vendor single-interest and collateral protection coverage laws of Washington.

**Wisconsin:** This Agreement 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. To cancel this Agreement, contact the Administrator at 3500 Piedmont Road NE, Suite 400, Atlanta, GA 30305, 877-882-7481. Customer will not be charged for the cost of any appraisal requested by Administrator. This Agreement will be deemed fully earned only when a GAP benefit has been or will be paid to Customer or the term has expired. This Addendum is between the Customer and the Dealer, or if assigned, with the Assignee. If You wish, You may use any page of this Addendum as your written notice by writing "I hereby cancel this Addendum" and adding Your name, address and the date. That page must be sent or delivered to Us before midnight on the 60th day after the date this Addendum was received by you. Keep a copy of this page for Your records. If You cancel this Addendum, You may elect to receive either a check for the refund amount, or a credit against your loan balance refund amount plus the amount of applicable finance charges.

### 6. WAIVER BENEFIT REQUIREMENTS

To initiate a request for a Waiver Benefit, Customer must submit a written request for a Waiver Benefit or at least one (1) of the documents listed below to Administrator within ninety (90) days of the Settlement Date (or within ninety (90) days of the Date of Loss if there is no Primary Insurance on the Covered Vehicle). Additionally, Customer must submit all documents listed below to Administrator within two hundred ten (210) days of the Settlement Date (or within two hundred ten (210) days of the Date of Loss if there is no Primary Insurance on the Covered Vehicle) before any Waiver Benefit under this Addendum can be processed. It is Customer's responsibility to provide the required documentation to Administrator. Failure to properly initiate a claim within ninety (90) days of the Settlement Date and/or provide the required documentation within two hundred ten (210) days of the Settlement Date will VOID this Addendum and no Waiver Benefit will be processed. Customer should submit all documents to Administrator at 3500 Piedmont Road, NE, Suite 400, Atlanta, GA 30305, 877-882-7481.

**A. Complete copy of the Primary Insurance Settlement Statement** substantiating the date of and cause of the Total Loss of the Covered Vehicle, gross settlement amount, deductible and net settlement amount. Should Customer not have collectible physical damage insurance on the Date of Loss, it is Customer's responsibility to advise Administrator in writing immediately when the Total Loss is discovered, and Administrator will arrange for an independent appraisal in order to calculate the Actual Cash Value of the Covered Vehicle immediately prior to the Total Loss. The cost of the appraisal will be deducted from the amount of any Waiver Benefit and will be payable to Administrator from the Customer in the event no Waiver Benefit is due.

**B. Copy of the Total Loss Evaluation report from the Primary Insurer** substantiating the basis of how the Actual Cash Value of the Covered Vehicle was determined (must include all options on the Covered Vehicle and mileage on the Date of Loss, if available).

**C. Copy of the Primary Insurer's Settlement Check.**

**D. Copy of a statement from Assignee (your Lender) documenting Your Loan/Lease Payoff Amount,** including detail of past due amounts, late charges, etc., if any.

**E. Copy of the Complete Payment History** (record of loan/lease payments from inception through Date of Loss).

**F. Copy of the Finance Agreement** (including term, APR, amount financed, payment amount, payment due date and any cancelable items purchased).

**G. Copy of Buyers Order/Purchase Order** from the Dealer substantiating make, model, year, mileage and vehicle options.

**H. Copy of GAP Contract** (front and back).

**I. Copy of Police Report,** if a Police Report was filed. Please note, a Police Report is required if the Total Loss was a result of the theft of the Covered Vehicle.

**J. Copy of the documentation showing refund amounts** of any cancelable items purchased.

**K. Any additional documents** reasonably requested by Administrator.

PLEASE MAKE SURE all documents are totally legible, otherwise payment will be suspended until legible copies can be obtained.

**ADMINISTRATOR WILL INVESTIGATE AND PROSECUTE ANY SUSPECTED FRAUDULENT CLAIMS TO THE FULLEST EXTENT OF THE LAW. ADMINISTRATOR WILL CANCEL ANY CONTRACT THAT WAS SECURED BY THE CONTRACT HOLDER VIA FRAUDULENT OR MISREPRESENTATIVE STATEMENTS OR ACTIONS.**