



# GAP ADDENDUM

# SGCADFS

This Guaranteed Asset Protection (GAP) Contract Addendum (“Contract”) amends the Financial Agreement. This Contract is between the Buyer (“I”, “You”, “Your” or “Consumer”) and the Seller, or if assigned, with the Financial Institution.

|  |  |  |                 |           |          |                                |                       |   |                      |                          |                          |
|--|--|--|-----------------|-----------|----------|--------------------------------|-----------------------|---|----------------------|--------------------------|--------------------------|
| BUYER  |  |  | SELLER          |           |          | SELLER NUMBER                  |                       |   |                      |                          |                          |
| ADDRESS  |  |  |                 |           |          | ADDRESS                        |                       |   |                      |                          |                          |
| CITY   |  | STATE  |                 | ZIP       |          | CITY                           |                       | STATE                                     |                      | ZIP                      |                          |
| MOBILE PHONE   |  |  | SECONDARY PHONE |           |          | CONTACT                        |                       |   | PHONE                |                          |                          |
| CUSTOMER E-MAIL  |  |  |                 |           | ODOMETER |                                | FINANCIAL INSTITUTION |   |                      |                          |                          |
| VIN NUMBER   |  | YEAR   |                 | MAKE      |          | MODEL                          |                       | ADDRESS                                   |                      |                          |                          |
| VEHICLE PURCHASE PRICE                                   |  | <input type="checkbox"/> NEW <input type="checkbox"/> USED   |                 | MSRP/NADA |          | CITY                           |                       | STATE                                     |                      | ZIP                      |                          |
| \$   |  |  |                 | \$        |          |                                |                       |   |                      |                          |                          |
| <input type="checkbox"/> LOAN/INSTALLMENT SALES CONTRACT |  |  |                 |           |          | <input type="checkbox"/> LEASE |                       | <input type="checkbox"/> BALLOON CONTRACT |                      | FINANCIAL AGREEMENT DATE | FINANCIAL AGREEMENT TERM |
|  |  |  |                 |           |          |                                |                       |   |                      |                          | MONTHS                   |
| AMOUNT FINANCED/LEASE CAP COST                           |  |  |                 | APR       |          | PRIMARY INSURANCE DEDUCTIBLE   |                       |   | TERM OF GAP CONTRACT |                          |                          |
| \$   |  |  |                 | %         |          | \$                             |                       |   | MONTHS               |                          |                          |
| YOUR CHARGE FOR GAP CONTRACT                             |  | <b>SURCHARGE:</b> <input type="checkbox"/> Commercial Use or Class 3 Truck<br>(Check if one or both applies) |                 |           |          |                                |                       |   |                      |                          |                          |
| \$   |  |  |                 |           |          |                                |                       |   |                      |                          |                          |

I hereby acknowledge that this Guaranteed Asset Protection (GAP) Contract is STRICTLY VOLUNTARY, IS NOT REQUIRED BY THE CREDITOR, 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 CONTRACT. Although I am not required to do so, I have elected to purchase this Contract for an additional charge, which is shown above. I acknowledge that the cost of the above described Contract has been disclosed to me and I agree to pay that amount. I understand that I may wish to consult an insurance agent to determine whether similar coverage may be obtained and at what cost. I understand that I may obtain a contract from anyone I choose that is acceptable to the Financial Institution, and that GAP benefits may decrease over the term of the Financial Agreement. This Contract includes a binding arbitration clause. This Contract may not waive the entire amount owing at the time of loss.

**WARNING: THIS CONTRACT DOES NOT PROVIDE AND IS NOT A SUBSTITUTE FOR BODILY INJURY, PROPERTY DAMAGE, LIABILITY, COMPREHENSIVE OR COLLISION INSURANCE AND DOES NOT COMPLY WITH ANY FINANCIAL RESPONSIBILITY LAW OR ANY OTHER LAW MANDATING MOTOR VEHICLE INSURANCE COVERAGE.** Please carefully read this Contract in its entirety for additional information on eligibility, conditions, limitations and exclusions that could prevent you from receiving benefits under this Contract.

**STOP AND READ:**

**YOU CANNOT BE REQUIRED TO BUY A GAP WAIVER OR ANY OTHER ADD ON PRODUCTS OR SERVICES. IT IS OPTIONAL.**

**NO ONE CAN MAKE YOU BUY A GAP WAIVER OR ANY OTHER OPTIONAL ADD-ON PRODUCTS OR SERVICES TO GET FINANCING, TO GET CERTAIN FINANCING TERMS, OR TO GET CERTAIN TERMS FOR THE SALE OF A VEHICLE.**

**IT IS UNLAWFUL TO REQUIRE OR ATTEMPT TO REQUIRE THE PURCHASE OF THIS GAP WAIVER OR ANY OTHER OPTIONAL ADD-ON PRODUCTS OR SERVICES.**

BY MY SIGNATURE BELOW, I ELECT TO PURCHASE THIS GAP ADDENDUM CONTRACT AND ACCEPT ITS TERMS, LIMITATIONS, AND CONDITIONS.

BUYER/LESSEE(S)

SELLER

\_\_\_\_\_  
BUYER/LESSEE SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
BY SELLER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
CO-BUYER/LESSEE SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
TITLE

**Report Your Total Loss To The Program Administrator:**  
**FINANCIAL GAP ADMINISTRATOR LLC**  
**P.O. BOX 22439, ST. LOUIS, MO 63126-2439**  
**Phone (888) 427-2037 • Fax (636) 349-3169 • Email: LossReport@GapAdmin.com**

#### GAP AGREEMENT

The Buyer and the Seller named above hereby agree to amend the provisions of the Financial Agreement for the Vehicle indicated above as follows:

In the event of a Total Loss, a deficiency will be considered which will be waived subject to the terms and conditions of this Contract. If the Vehicle is deemed a Total Loss by the Primary Insurance carrier; then, subject to the terms and conditions of this Contract, the Seller agrees to waive the difference between:

- (a) the Outstanding Balance of the Financial Agreement on the Date of Loss; and,
- (b) the Actual Cash Value of the Vehicle.

Up to one thousand dollars (\$1,000.00) of the Buyer's Primary Insurance deductible, if applicable, is also waived under the Contract. The Buyer will always be responsible for (1) all Primary Insurance deductibles over one thousand dollars (\$1,000.00) and (2) any amounts not covered under the terms and conditions of this Contract.

#### LIMITATIONS

The amount waived shall not exceed fifty thousand dollars (\$50,000). This Contract is only available for purchase on the Financial Agreement Date when the Financial Agreement is originally executed and only provides coverage during the Financial Agreement Term. This Contract does not provide coverage, and will automatically terminate if the Financial Agreement is refinanced. This Contract is not transferable to any other vehicle or financial agreement.

#### LOSS DOCUMENT REQUIREMENTS

In the event of a Total Loss, it is Your responsibility to keep Your account current until any deficiency is determined and waived. If there is a Total Loss due to theft of the Vehicle, You must report the incident to law enforcement authorities within twenty-four (24) hours of Your knowledge of the theft. You shall provide the following documentation to the Program Administrator at the address shown below. All copies must be complete and legible. This documentation must be submitted within ninety (90) days from the date of the Primary Insurance company settlement or, in the absence of Primary Insurance, ninety (90) days from the Date of Loss. Failure to do so will void this Contract.

1. A copy of the Primary Insurance company claim settlement check(s), settlement worksheet and Actual Cash Value evaluation.
2. A copy of the police report.
3. A copy of all contracts financed into the Financial Agreement, such as a service contract, credit insurance or other similar items and proof of proceeds recovered from the cancellation of any such refundable contracts.
4. A copy of the Financial Agreement.
5. Documentation from the Financial Institution detailing the complete payment history of the Financial Agreement including all the payments and transactions.
6. A copy of the bill of sale.

You shall also provide any other reasonable documentation requested by the Program Administrator that is necessary to complete Your request to waive a deficiency. You may direct all inquiries regarding this Contract to the Program Administrator shown below:

**Program Administrator: Financial Gap Administrator LLC, P.O. Box 22439, St. Louis, MO 63126-2439  
Phone (888) 427-2037 • Fax (636) 349-3169 • Email: LossReport@GapAdmin.com**

#### DEFINITIONS

As used in this Contract, the following terms shall have the meanings set forth below:

**Actual Cash Value**, at the Date of Loss means, (1) the Actual Cash Value established by the Primary Insurance company; or (2) in the absence of Primary Insurance, the retail value of the Vehicle (per NADA or equivalent market evaluation manual). In the absence of Primary Insurance the terms and conditions of this Contract will remain the same. Adjustments will be made for prior unrepaired damage, mileage, usage, condition, applicable taxes or fees, and documented Vehicle options and accessories purchased at the time the Financial Agreement was executed. If it is determined that Your Primary Insurance company did not pay a fair Actual Cash Value and we provide You with evidence obtained in our research, You may be required to contact Your Primary Insurance carrier and request a higher payment.

**Buyer**, as identified on page 1, means the purchaser, borrower or lessee.

**Class 3 Truck** means any van or light truck rated Class 3 (GVWR from 10,001 lbs to 14,000 lbs) or higher by the manufacturer according to Department of Transportation guidelines. A van or light truck rated Class 3 or higher is excluded from coverage unless the Class 3 Truck surcharge option has been selected and purchased.

**Commercial Use** means utilization of the Vehicle under limited conditions for light commercial purposes generally regarded as professional, including, but not limited to a Vehicle used by an individual driver for sales/services (e.g., real estate, cleaning services, home health services) or light duty contracting such as an electrician or plumber. A Vehicle registered as commercial or to a business shall be deemed commercial. A Vehicle utilized for Commercial Use is excluded from coverage unless the Commercial Use surcharge option has been selected and purchased. Ride-Sharing is not considered Commercial Use. Additional exclusions apply - see the EXCLUSIONS section for complete details.

**Contract** means this Addendum to the Financial Agreement.

**Date of Loss** means the date on which the Total Loss occurred.

**Delinquent Payment** means any amount as required by the original terms of the Financial Agreement that, as of the Date of Loss, has remained unpaid after the due date.

**Equal Monthly Installment Method** means the presumption of equal monthly installments beginning no more than forty-five (45) days from the purchase date of the Vehicle and amortized over not more than eighty-four (84) months.

**Financial Agreement** means the retail installment sales contract, loan, or lease document(s) evidencing Your purchase or lease of the Vehicle with a period of not more than forty-five (45) days from the date of purchase to the first payment.

**Financial Institution** means the dealer, assignee, lienholder or lessor.

**Outstanding Balance** means the amount in U.S. currency required to satisfy or payoff the Financial Agreement as of the Date of Loss. The Outstanding Balance shall be determined based only on the amount You originally borrowed to purchase the Vehicle. Amounts added subsequent to the purchase of the Vehicle, such as but not limited to collateral protection insurance, unearned finance charge, rental charges, taxes, Delinquent Payments, past due amounts, late charges, extensions of maturity, salvage, repo expense, towing and storage are not included. The Outstanding Balance shall be reduced by any proceeds that could be recovered from the cancelling of any items, such as a service contract, credit insurance, or other similar items, that were included in the Financial Agreement. In the absence of Primary Insurance, the Outstanding Balance shall be reduced by any costs incurred in obtaining an appraisal or the value of the Vehicle. The Outstanding Balance, at the Date of Loss, shall be determined by the lower of (1) the Financial Agreement original payment schedule or (2) the Equal Monthly Installment Method, as applicable under the terms of this Contract. If additional collateral is secured under the Financial Agreement, the described Vehicle shall bear a proportionate share of the total Outstanding Balance in proportion to the amortized amount You originally borrowed directly related to Your purchase of the Vehicle.

**Primary Insurance** means the comprehensive, collision, and/or other insurance coverage as required under the terms and conditions of the Financial Agreement or any third party insurance responsible for damage to or theft of the Vehicle.

**Ride-Sharing** means a utilization of the Vehicle in connection with a Transportation Network Company. Ride-Sharing is not considered Commercial Use.

**Seller** means the entity from which You purchased this Contract or their assignee.

**Territory** means the United States of America, its territories or possessions, and Canada.

**Total Loss** means that the Vehicle is deemed a Total Loss by the Primary Insurance company due to an insured peril. In the absence of Primary Insurance, the Vehicle must be available for the Program Administrator's inspection or appraisal to determine if the Vehicle is a constructive Total Loss with repairs greater than the Actual Cash Value of the Vehicle immediately prior to the Date of Loss. If the Vehicle is not available for inspection or appraisal, no deficiency benefit will be waived.

**Transportation Network Company** means a company that uses an online-enabled application or digital network to connect passengers with drivers using their personal vehicles for the purpose of providing prearranged transportation services for compensation. Examples of a Transportation Network Company include but are not limited to: Uber, Lyft, and Sidecar.

**Vehicle** means the motor vehicle described on Page 1 of this Contract. The Vehicle must be garaged and used only in the Territory.

**You, Your, Consumer** means the Buyer, purchaser, borrower or lessee.

#### CANCELLATION

This Contract terminates no later than the earliest of the following events: (1) Cancellation by You; (2) Payment in full by You of the Financial Agreement (3) Expiration of any redemption and reinstatement periods after a repossession or surrender of the Vehicle specified in the Financial Agreement; (4) Upon total loss or unrecovered theft of the Vehicle specified in the Financial Agreement after the Financial Institution has applied all applicable benefits required under this Contract; or (5) Upon any other events that occurs earlier than the events listed in sub-sections 1 to 4, inclusive as specified in the Contract. If the termination occurs within 30 days after You purchased this Contract, You are entitled to a full refund of the Contract Purchase Price plus the amount of applicable finance charges. If the termination occurs later than 30 days after the Contract Purchase Date, you are entitled to a refund of the unearned Contract Purchase Price calculated by the pro rata method. A refund owed under this section may be applied by the Financial Institution as a reduction of the amount owed under the Financial Agreement unless the Financial Agreement has been paid in full. No refund is required upon termination of the Contract if there has been a total loss or unrecovered theft of the Vehicle specified in the Financial Agreement and You have or will receive the benefit of the Contract. Upon termination of the Contract, the Financial Institution shall make an appropriate refund of the Contract Purchase Price or shall cause to be made an appropriate refund instructing in writing the appropriate party to make the refund or credit. If You are entitled to a refund, the refund payment will be issued to You within 60 business days from the termination of the Contract.

#### CONTRACT EXPIRATION

This Contract expires upon the earliest of (1) the original termination date of the Financial Agreement, (2) the early termination of the Financial Agreement, (3) occurrence of a Total Loss, (4) date of repossession of the Vehicle, (5) eighty-four (84) months after the date of this Contract, or (6) any term limitation as set forth in the VEHICLE TYPE AND PROGRAM ELIGIBILITY section hereof. You must request a refund, in writing, except where prohibited by law, from the Seller/Financial Institution for any Contract expiring event. The maximum term of this Contract for which a deficiency may be waived will not exceed eighty-four (84) months. This Contract is not renewable.

#### VEHICLE TYPE AND PROGRAM ELIGIBILITY

You are not eligible for this Contract if You do not own or lease the Vehicle. Coverage extends only to the Vehicle and Vehicle accessories included in the original Financial Agreement. Trailers and special commercial usage optional equipment, accessories and body components are not covered. Additionally, the following limitations, exclusions, and eligibility requirements apply:

**MOTOR VEHICLE - AUTOMOBILE, VAN, or LIGHT TRUCK:** Includes a Vehicle utilized for personal use, Ride-Sharing, and/or Commercial Use (with payment of the applicable Surcharge) that are less than 15,000 pounds gross vehicle weight (GVWR). Certain vehicle makes, models, types and uses are ineligible for coverage - see EXCLUSIONS below.

**LEASES, BALLOON FINANCIAL AGREEMENTS AND DEFERRED PAYMENT FINANCING:** The maximum term of any lease, balloon Financial Agreement, or deferred payment Financial Agreement shall be no more than eighty-four (84) months. Deferred payment Financial Agreements and balloon Financial Agreements will be converted to the Equal Monthly Installment Method.

#### ASSIGNMENT

The Financial Institution shall have the right to assign its right(s), title, and interests in this Contract at any time. Assignment of the Financial Agreement by the Financial Institution shall not in any way affect the terms and conditions of this Contract. This Contract is void should You transfer the Vehicle to any third party. This Contract is for the sole benefit of the registered Buyer as described on Page 1 of this Contract and may not be assigned or transferred by You to another person or financial institution.

#### EXCLUSIONS

No deficiency benefit will be waived under this Contract respecting a Total Loss,

- (1) occurring prior to its effective date;
- (2) resulting from an intentional act, forgery or any criminal or illegal, intentional, willful, reckless, negligent or wanton act (including but not limited to DWI/DUI) by You, or any authorized driver, whether acting alone or in collusion with others;
- (3) on any of the following vehicles or vehicle types which are excluded from coverage: Aston Martin, Bentley, Bugatti, Dodge Viper, Ferrari, Ford GT, Karma, Lamborghini, Lotus, McLaren, Mercedes-Maybach, Rolls Royce, 12 cylinder vehicles, ATVs, boats, motorcycles, RVs, snowmobiles, trailers, vehicles used for emergency services or for any rare, exotic, unusual, limited-production, one-of-a-kind, kit, or customized vehicle;
- (4) due to confiscation, forfeiture, seizure, or destruction of the Vehicle by any governmental authority or public official;
- (5) if the Primary Insurance company settlement is equal to or greater than the Outstanding Balance;
- (6) resulting from any civil commotion, disturbance, riot, or action taken by any governmental authority in dealing with such;
- (7) resulting from the Vehicle being operated, used, or maintained in any race, speed, or other contest;
- (8) resulting from the Vehicle being operated or utilized for daily rental, livery, carrying passengers for hire (taxi, limo, shuttle services), towing or road service operations, government/military use, law enforcement, emergency services, or snowplowing;
- (9) resulting from nuclear reaction or radiation or radioactive contamination;
- (10) resulting from Total Loss to the Vehicle caused by or resulting from wear and tear, gradual deterioration, obsolescence, rust, corrosion, latent defect, inherent defect, freezing, overheating, or resulting from any repairing, restoration, or remodeling process, structural, mechanical, or electrical breakdown or failure unless fire or other accident ensues and then only for the physical loss or damage by such ensuing fire or accident, are specifically excluded;
- (11) for any vehicle held as collateral for any purpose other than purchase of the Vehicle;
- (12) if the Vehicle has either a rebuilt, salvage, branded or junk title or has been previously declared a Total Loss;
- (13) if the Vehicle was being operated or utilized for Commercial Use unless the Commercial Use surcharge option has been selected and purchased; or,
- (14) for any loss other than a Total Loss. NOTE: In addition, there shall be no coverage for any benefits under this Contract unless there is a deficiency waived.

#### ARBITRATION

It is understood and agreed that the transaction evidenced by this Contract takes place in and substantially affects interstate commerce. Any controversy or dispute arising out of or relating in any way to this Contract or the sale of this Contract, including for recovery of any claim under this Contract including the applicability of this arbitration clause and the validity of this Contract shall be resolved by neutral binding arbitration on an individual basis without resort to any form of class action or any other collective or representative proceeding by the American Arbitration Association (AAA), under the Commercial Arbitration Rules in effect at the time the claim is filed. All preliminary issues of arbitration will be decided by the arbitrator.

- 1.) The arbitration shall take place in the county of residence of the Buyer unless another location is mutually agreed upon by the parties. The arbitration shall take place before a single arbitrator selected in accordance with the AAA Commercial Arbitration Rules. AAA rules and forms may be obtained and all claims shall be filed at [www.adr.org](http://www.adr.org) or at any AAA office.
- 2.) The cost of the arbitration shall be borne by the Seller except that each party must bear the cost of filing and the cost of its own attorneys, experts and witness fees and expenses. You may seek a waiver of the filing fee under the applicable AAA rules. If the arbitrator holds that a party has raised a dispute without substantial justification, the arbitrator shall have the authority to order that the cost of the arbitration proceedings be borne by the other party.
- 3.) It is understood and agreed that the arbitration shall be binding upon the parties, that the parties are waiving their right to seek remedies in court, including the right to a jury trial. You will not be able to participate as a representative or member of any class of claimants. An arbitration award may not be set aside in later litigation except upon the limited circumstances set forth in the Federal Arbitration Act. An award in arbitration will be enforceable under the Federal Arbitration Act by any court having jurisdiction.
- 4.) All statutes of limitations that would otherwise be applicable shall apply to any arbitration proceedings.

If any portion of this arbitration provision is deemed invalid or unenforceable, the remaining portions of this arbitration provision shall nevertheless remain valid and in force. In the event of a conflict or inconsistency between this arbitration provision and the other provisions of this Contract or any prior agreement, this arbitration provision shall govern.

#### FRAUD AND MISREPRESENTATION

This Contract is issued in reliance upon the truth of all representations made by You. This Contract shall be void where you: 1. Intentionally concealed or misrepresented any material fact; 2. Engaged in fraudulent conduct; or 3. Made a false statement relating to submitting a claim. If You have concealed or misrepresented any material fact(s) concerning this coverage, or in case of fraud, attempted fraud, or the false swearing by affecting any matter relating to this coverage, whether before or after Total Loss, this Contract may be voided and all charges will be returned subject to the provisions of the CANCELLATION/TERMINATION section.