

# APPI Guaranteed Asset Protection (GAP) Addendum to Retail Installment Sales Contract

APPI-GW  
Last 8 of VIN \_\_\_\_\_

The Buyer hereby agrees to purchase an APPI Guaranteed Asset Protection (GAP) **Contract**. This **Contract** is entered into between the Buyer and the **Seller** pursuant to the terms and conditions of the **Contract**. The **Contract** will contain specific benefits and exclusions. 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**.

BUYER			SELLER			SELLER NUMBER								
ADDRESS						ADDRESS								
CITY		STATE		ZIP		CITY		STATE		ZIP				
HOME PHONE			BUSINESS PHONE			PHONE			CONTACT					
YEAR		MAKE		MODEL		VEHICLE IDENTIFICATION NUMBER			CURRENT MILEAGE					
FINANCIAL AGREEMENT				MSRP/NADA				FINANCIAL INSTITUTION			FINANCIAL AGREEMENT NUMBER			
DATE						\$								
<input type="checkbox"/> FINANCIAL AGREEMENT		<input type="checkbox"/> LEASE		TERM OF THE FINANCIAL AGREEMENT				ADDRESS						
SALES CONTRACT				IN MONTHS										
<input type="checkbox"/> NEW		<input type="checkbox"/> USED		AMOUNT FINANCED / LEASE CAP COST				CITY		STATE		ZIP		
						\$								
GAP CONTRACT COST			FINANCE CHARGE			EFFECTIVE DATE			PHONE			CONTACT		
\$			%											

## VEHICLE AND PROGRAM INFORMATION

CHECK ONE	SURCHARGE:	<input type="checkbox"/> COMMERCIAL USAGE (available only for <i>Motor Vehicles</i> up to 15,000 GVW)
	SURCHARGE:	<input type="checkbox"/> EXTENDED COVERAGE 73rd THROUGH 84th MONTH

## ACCEPTANCE

I hereby acknowledge that this Guaranteed Asset Protection (GAP) **Contract** is STRICTLY VOLUNTARY 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 **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 GAP **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*.

In the event of a **Total Loss**, a deficiency will be considered which will be subject to the terms and conditions of this **Contract**. This deficiency shall not exceed \$50,000.00. This **Contract** will not cover that portion of a deficiency that results from an original amount financed that exceeds 150% of (1) MSRP for new vehicles or (2) NADA or equivalent for used vehicles. I will always be responsible for (1) all **Primary Insurance** deductibles over \$1,000.00 and (2) any amounts not covered under the terms and conditions of this **Contract**.

**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.**

COST:	EFFECTIVE DATE:	TERM:
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I have read and agreed to all the above conditions: X \_\_\_\_\_  
Consumer Signature(s) Date

X \_\_\_\_\_  
Seller/Dealer/Lienholder/Lessor Signature Title Date

PROGRAM ADMINISTRATOR - WHITE      LIENHOLDER/LESSOR - YELLOW      SELLER - PINK      CONSUMER - WHITE

# APPI Guaranteed Asset Protection (GAP) Addendum to Retail Installment Sales Contract

## GAP AGREEMENT

The Buyer and the **Seller** named on Page 1 hereby agree to amend the provisions of the **Retail Installment Sales Contract** for the **Vehicle** and **Financial Institution** referenced on Page 1 as follows: If the **Vehicle** is deemed a **Total Loss** by the **Primary Insurance** carrier for the **Vehicle**, the **Seller** agrees to waive the difference between:

(a) The **Outstanding Balance** of the **Retail Installment Sales Contract** on the **Date of Loss** as detailed in the **Outstanding Balance** definition and

(b) The **Actual Cash Value** of the **Vehicle** as stated in the **Actual Cash Value** definition. Up to \$1,000.00 of the Buyer's physical damage insurance deductible, if applicable, is also waived under the **Contract**, unless otherwise limited by **State Provisions**.

## LIMITATION

No coverage is provided for that portion of a deficiency that results from an original amount financed that exceeds 150% of (1) MSRP for new **Vehicles** or (2) NADA or equivalent for used **Vehicles** and will be deducted from the payable **Outstanding Balance**.

This **Contract** is only available for purchase on the date of the **Retail Installment Sales Contract** and provides coverage during the term of the **Retail Installment Sales Contract**. This **Contract** does not provide coverage, and will automatically terminate if the **Retail Installment Sales Contract** is refinanced. This **Contract** is not transferable to any other **Vehicle** or **Retail Installment Sales Contract**. Enrollment is available only at the time the **Financial Agreement** is originally executed.

## 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 and Program Eligibility** section hereof. The maximum term of this **Contract** for which a deficiency may be claimed will not exceed eighty-four (84) months.

## 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, (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 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.

**Commercial Usage** means utilization of the **Vehicle** for any commercial purpose. An automobile, van, or light truck utilized for any commercial purpose is excluded unless the **Commercial Usage** surcharge option has been purchased. A **Vehicle** registered as commercial or to a business shall be deemed commercial. **Vehicles** used for livery, delivery services, hire, rental, or as taxicabs are not eligible for coverage hereunder. Trailers, special commercial usage optional equipment, accessories, and body components are not covered.

**Contract** means this Addendum to **Retail Installment Sales Contract**.

**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** or **Retail Installment Sales Contract** means the 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, Lienholder or Lessor.

**Outstanding Balance** means the amount in U.S. currency required to satisfy the **Financial Agreement** payoff 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 appraisal or 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**.

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 comprehensive and collision insurance coverage as required under the terms and conditions of the **Financial Agreement** or any third party insurance responsible for damage to the covered **Vehicle**.

**Seller** means the entity from which **You** purchased this GAP **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 covered **Vehicle** must be available for the Program Administrator's inspection or appraisal to determine if the covered **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 covered **Vehicle** is not available for inspection or appraisal, no claim will be paid.

**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 Purchaser, Buyer, Borrower or Lessee.

## VEHICLE TYPE AND PROGRAM ELIGIBILITY

**You** are not eligible for this **Contract** if **You** do not own the **Vehicle**. Coverage extends only to the **Vehicle** and **Vehicle** accessories included in the original **Financial Agreement**. In addition, the following limitations, exclusions, and eligibility requirements apply:

**MOTOR VEHICLE: AUTOMOBILE, VAN, or LIGHT TRUCK.** Includes **Vehicles** used for personal and/or **Commercial Usage** that are less than 15,000 pounds gross vehicle weight (GVW) with a market value and/or amount financed less than \$100,000.00 as of the date of this **Contract**. The maximum term of the **Financial Agreement** shall be for no more than eighty-four (84) months.

**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** will be converted to the **Equal Monthly Installment Method**.

## **EXCLUSIONS**

This **Contract** shall be void if there have been any material facts withheld, concealed, or misrepresented or in the event of fraud. No deficiency benefit will be paid 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 committed by **You** whether acting alone or in collusion with others; (3) on any **Vehicle** 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 a **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 nuclear reaction or radiation or radioactive contamination; (9) resulting from **Total Loss** to the covered **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; (10) for any **Vehicle** held as collateral for any purpose other than purchase of the covered **Vehicle**; or (11) 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 paid.

## **CANCELLATION**

**You may cancel this Contract at any time prior to the occurrence of a Total Loss by mailing or delivering written notice of cancellation request to the Dealer. The Program Administrator must receive cancellation requests within thirty (30) days of the requested cancellation date. If this Contract is cancelled within thirty (30) days of the date of purchase, You will receive a full refund.** If this **Contract** is cancelled after thirty (30) days from the date of this **Contract**, the refund will be calculated using the pro rata refund method, less a \$25.00 cancellation fee, unless otherwise indicated in STATE PROVISIONS. The **Financial Institution** will be named as payee on any refund of this **Contract** unless Program Administrator is provided with written documentation stating the **Financial Agreement** has been paid in full. This **Contract** will not be reinstated after a cancellation has been processed. If we cancel, we will calculate **Your** refund pro rata. Notice of cancellation will state the effective date of cancellation. The **Contract** period will end on that date.

In the event of a **Total Loss** to the **Vehicle**, all fees paid for the **Contract** shall become fully earned and no refund will be made, whether or not a deficiency has been paid under this **Contract**.

## **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 to another person or **Financial Institution** and is not renewable.

## **STATE PROVISIONS**

The cancellation fee is not applicable in Colorado, Kansas, Louisiana, Missouri, New Hampshire, New Mexico, Vermont, Washington and Wisconsin. **Colorado:** **You** may cancel this GAP **Contract** for any or no reason within thirty (30) days of the purchase date and receive a full refund if no loss or event covered has occurred. **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 Program Administrator. **Illinois:** There is no deductible coverage available for **Vehicles** leased in Illinois. **Louisiana:** The extender of credit hereby agrees, by acceptance of this **Contract** as an amendment to the **Retail 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 **Contract**) under the **Retail Installment Sales Contract** and the **Actual Cash Value of Your Vehicle** as of the **Date of Loss of Your Vehicle**. **New Hampshire:** THIS **CONTRACT** IS NOT AN INSURANCE POLICY; however, the obligations of the **Seller** under this **Contract** are guaranteed under a reimbursement policy issued by Old Republic Insurance Company, 8282 S. Memorial Drive, Tulsa, OK 74133, 800-331-3780. If the **Contract** benefit or refund is not provided by Program Administrator within sixty (60) days after all requirements have been met, **You** may apply for reimbursement directly from Old Republic Insurance Company at the address or phone number listed above. In the event **You** do not receive satisfaction under this **Contract**, **You** may contact the New Hampshire Insurance Department at 21 South Fruit Street, Concord, NH 03301, 800-735-2964. **Pennsylvania:** A portion of the charges **You** pay for **Your** GAP coverage will be retained by the **Seller**. **Tennessee:** The cost of this GAP **Contract** is not regulated and the **Consumer** has the responsibility to determine whether the cost of the GAP **Contract** is reasonable in relation to the protection afforded by the GAP **Contract**. 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. **Vermont:** The **Seller** must assign, sell or transfer, within fifteen (15) business days, the **Retail Installment Sales Contract** to a **Financial Institution** as defined in the subdivision 11101(32) of Title 8 or an entity licensed under subdivision 2209(a)(1) or (3) of Title 8 or this **Contract** is void and **You** will receive a full refund of the charges of this **Contract**. **You** may cancel this GAP **Contract** for any or no reason within thirty (30) days of the purchase date and receive a full refund if no loss or event covered has occurred. **Washington:** This **Contract** 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. If we cancel, we will provide **You** and the **Financial Institution** a forty-five (45) day notice of cancellation (10 days for non-payment of premium) which will include the effective date and reason for cancellation. **Wisconsin:** This **Contract** 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 **Contract**, contact the Program Administrator at 17732 Highland Rd, Suit G-158, Baton Rouge, LA 70810, 888-366-3774. **You** will not be charged for the cost of any appraisal requested by Program Administrator. This **Contract** will be deemed fully earned only when a GAP benefit has been or will be paid to **You** or if the term has expired.

## **REPORTING A DEFICIENCY**

In the event of a **Total Loss**, it is **Your** responsibility to keep **Your** account current until any deficiency is determined and paid. If there is a **Total Loss** due to theft of the collateral, **You** must report the incident to law enforcement authorities within twenty-four (24) hours of the 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. Proof of proceeds recovered from cancellation of refundable items, such as a service contract, credit insurance or other similar items.
4. A copy of the **Financial Agreement**.
5. Documentation from the **Financial Institution** detailing the payoff as of the **Date of Loss**.
6. A copy of the Bill of Sale.
7. A copy of the complete history of the loan showing all payments and transactions.

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

Program Administrator – Advanced Protection Products International, Inc.  
17732 Highland Rd, Suit G-158, Baton Rouge, LA 70810  
Telephone 888-366-3774 – Fax Customer Service (225) 612-6731 – Fax Claims (225) 612-6731

**Advanced Protection Products International, Inc.**  
**PRIVACY DISCLOSURE AND PROTECTION POLICY**

**The Information We Collect**

Advanced Protection Products International, Inc. (sometimes referred to as “APPI,” “we,” “our,” “us”) receives certain non-public personal information from our clients and customers in the performance of our services for them. APPI maintains the confidentiality of such information to the extent required by the Gramm Leach Bliley Act and other privacy laws and regulations applicable to us and our clients and customers.

All of this information comes directly from you in your application for coverage, and it is all the information we receive about you. This information is used to establish the proper price for your vehicle service contract or GAP contract. If we need additional information or want to verify information, we may contact you or the entity that sold you the contract.

**What We Do With This Information**

We refer to your personal information when issuing and servicing your contract and settling your claims. We do not disclose information without your consent unless disclosure is necessary to conduct our business. Such disclosures may be made to:

- Adjusters, inspectors, investigators and attorneys to investigate or settle a claim.
- Persons or organizations performing a business or professional function for us.
- Organizations established to detect or prevent crimes or fraud.
- Our affiliated companies.

**Access to Information**

We limit our own employees’ access to customer information. Only those employees who need to know information about you in order to provide products or services are allowed access to your personal information. We maintain physical, electronic and procedural safeguards in accordance with accepted standards and practices to protect your non-public information.