



**GAP INSTALLMENT SALE  
CONTRACT/LOAN  
AGREEMENT ADDENDUM**

GAP ADDENDUM #  
**WG1FORP**

This GAP Agreement Addendum is entered into by and between the Customer (You) and the Dealer/Creditor pursuant to the terms and conditions below and on the reverse side.

Dealer/ Creditor:	Name	Address	City	State	Zip
<b>IMPORTANT: TYPE OR PRINT</b>					
Purchaser:	Last Name	First Name - Initial	Month	Day	Year
Address:	Street	City	State	Zip	
Vehicle:	Year	Make	Model	Mileage	Vehicle Identification No.
Financial Institution/Lender:	Name	Address	City	State	Zip
	Amount Financed	Monthly Payment	Term in Months	Enrollment Price	
	\$	\$		\$	

Installment Sale Contract    Loan    Other

**THE PURCHASE OF THIS GAP ADDENDUM IS NOT REQUIRED TO OBTAIN CREDIT. THE CONSUMER MAY OBTAIN GAP PROTECTION FROM AN ALTERNATE SOURCE.**

**THE CONSUMER MAY CANCEL THIS GAP ADDENDUM AT ANY POINT DURING THE ORIGINAL TERM OF THE RETAIL INSTALLMENT CONTRACT. A CANCELLATION REQUESTED WITHIN THIRTY (30) DAYS OF PURCHASE IS ELIGIBLE FOR A FULL REFUND. A CANCELLATION REQUEST RECEIVED AFTER THIRTY (30) DAYS OF PURCHASE WILL BE REFUNDED BY THE PRO-RATA METHOD OR AS STIPULATED BY THE STATE OR THE LENDER, UNLESS OTHERWISE REQUIRED BY APPLICABLE STATE LAW.**

**EXCEPTIONS: YOU WILL NOT RECEIVE PAYMENT UNDER THIS GAP AGREEMENT FOR AMOUNTS OF THE OUTSTANDING INSTALLMENT SALES CONTRACT OR LOAN BALANCE ON THE DATE OF LOSS REPRESENTING THESE ITEMS:**

- 1) INTEREST, RENTAL OR OTHER CHARGES THAT ACCRUE AFTER THE DATE OF LOSS;
- 2) DELINQUENT PAYMENTS OR TAXES, LATE CHARGES OR INTEREST;
- 3) REFUNDABLE CHARGES, INCLUDING BUT NOT LIMITED TO SERVICE CONTRACTS, CREDIT LIFE OR ACCIDENT AND HEALTH INSURANCE; OR
- 4) THE PORTION OF THE ORIGINAL AMOUNT FINANCED/TOTAL COST OF LEASE WHICH EXCEEDS 150% OF THE MANUFACTURER'S SUGGESTED RETAIL PRICE (MSRP) FOR A NEW VEHICLE OR 150% OF THE AVERAGE RETAIL VALUE OF A USED VEHICLE AT THE TIME OF SALE USING THE REGION SPECIFIC NADA AUTOMOBILE VALUE GUIDE FOR THIS CALCULATION.
- 5) AMOUNTS DEDUCTED FROM THE INSURER'S SETTLEMENT DUE TO WEAR AND TEAR, PRIOR DAMAGE, MILEAGE, SALVAGE, TOWING OR STORAGE ARE EXCLUDED.

\_\_\_\_\_  
Customer Date

\_\_\_\_\_  
Dealer/Creditor Date

\_\_\_\_\_  
Customer Date

**Program Administrator:**

IAS, L.P. / 12800 Angel Side Dr. / Leander, TX 78641  
Phone: 800-346-6469 / Fax: 512-421-8084  
www.fasterclaims.com

## I. Definitions:

1. **Covered Collateral** shall mean the item as described on page 1 of this Agreement which is not used for racing or commercial purposes.
2. **We, Us, Our** shall mean the Administrator named herein.
3. **You, Your** shall mean the Borrower as described on page 1 of this Agreement.
4. **Total Loss** shall mean a direct and accidental physical loss of or damage to the **covered collateral**, which meets one or more of the following additional conditions:
  - a) the total cost of repair of the **covered collateral** is greater than or equal to the actual cash value of the **covered collateral**; or
  - b) the **covered collateral** is stolen and is not recovered within 30 days of the date of the loss; or
  - c) Primary Insurance is settled on a **total loss** basis.
5. **Established Retail Guide** means the same retail value guide that was used in determining the retail value of the **covered collateral** as of the date of loan such as NADA Retail Automobile Guide or Kelley Blue Book or their equivalent.
6. **Installment Sale Contract balance** (hereinafter "**balance**") shall mean a monetary amount owed to the **Dealer/Lender** by **you** as of the date of loss, or the outstanding loan **balance** amortized at the loan term, but such amounts shall not exceed 150% maximum benefit limits as determined by the **Established Retail Guide**, as of the date of the **Installment Sale Contract**.
7. **Actual Cash Value** shall mean:
  - a) the value of the **covered collateral** including tax, title and license as determined by **your** primary insurer via **total loss** payment less the primary insurance deductible amount (NOTE: This addendum does not provide coverage for any amounts deducted from the insurer's settlement due to wear and tear, prior damage, mileage, salvage, towing or storage.); or
  - b) if at the time of loss there is no listing for the **covered collateral**, **Actual Cash Value** shall be the amount **we** have determined, based on the best available information substantiating the retail value of the **covered collateral** as of the date of **total loss** less the primary insurance deductible amount.
  - c) if it is determined that **your** primary insurance company did not pay a fair **actual cash value**, and **we** provide **you** evidence obtained in **our** research, **you** may be required to contact **your** primary insurance carrier and request a higher payment.

## II. Agreement:

1. If the **covered collateral** is declared a **total loss** within the term as listed on page 1 of this Agreement, the amount waived shall be the difference between (a) the **balance** which remains payable with respect to the involved **Installment Sale Contract** and (b) the **Actual Cash Value** of the **covered collateral**, with such difference then reduced by (c) the sum of any delinquent payments, all past due charges, late payment charges, loan extensions, disposition fees, sales tax, use or rental tax, security deposits, any proceeds that may be recovered by insurance coverages, service contracts, extended warranties or similar items, any collection fees, early termination fees, any charges that may have been added to the outstanding **balance** after the inception of the **Installment Sale Contract**, unearned interest/unearned rental payments and any primary insurance deductible(s) assessed over \$1000 at the time of such loss (except Arkansas where it remains the responsibility of the purchaser), provided all of the following conditions have been met:
  - a) **You** provide a copy of this Agreement to the Administrator;
  - b) **You** must report the **total loss** if the loss is the result of theft, to law enforcement authorities within twenty-four (24) hours of knowledge of the theft;
  - c) **You** must report **total loss** to your primary insurance carrier within five (5) days of knowledge of the **loss**, and;
  - d) **You** must provide proof of loss including such documents as **we** may require to Administrator within a reasonable period of time, usually within sixty (60) days of the date of primary insurance settlement.
  - e) In the event of a **total loss** it is **your** responsibility to keep **your** account current until any deficiency is determined and paid.

## III. Agreement Limitations:

1. Installment payments must be scheduled for a date that is within 45 days of the Loan Inception Date. If they are scheduled to start beyond such 45 day period, we will amortize the Loan as if the first payment had been paid 45 days after the Loan Inception Date when determining the balance for loss purposes.
2. Any loss other than **total loss**, and any loss which is due to any fraudulent, deceptive, illegal, or criminal act by **You**, whether acting alone or in collusion with others, is specifically excluded.
3. This Agreement is for the sole benefit of the registered borrower as described on page 1 of this Agreement, and may not be assigned or transferred to another person, is not renewable, and is cancelable as provided for on page 1 of this Agreement.
4. Any loss resulting from **total loss** to the **covered collateral**, caused by or resulting from wear and tear, gradual deterioration, obsolescence, rust, corrosion, latent defect, inherent defect, freezing, overheating, occurring outside of the United States or Canada, 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.
5. Any damage occurring to **covered collateral** prior to Loan Inception Date is specifically excluded.
6. The Actual Cash Value as determined by your primary insurer must be a fair market value with no deductions permitted. In the event of a "total loss" or in the event of no "primary carrier", the amount is determined by the current month edition of the regional NADA Book, Kelley, or other market valuation manual, as of the date immediately prior to the date of the "total loss".
7. Maximum GAP Waiver Agreement Limits: Any Installment Sale Contract which exceeds a term of seventy-two (72) months, exceeds a MSRP or NADA retail value of more than \$75,000, has over \$75,000 amount financed, or has limits of liability exceeding \$50,000, is not eligible for the GAP Waiver Agreement. Additionally, the amount waived shall not exceed the **balance** less the value of the **covered collateral** including tax, title and license as determined by **your** primary insurer via **total loss** payment less the primary insurance deductible amount.
8. Any used collateral not listed in the then current **Established Retail Guide** at the time of financing or any truck or van weighing over 10,000 lbs (GVW) are not eligible for this GAP Waiver Agreement.
9. All coverage terminates at the end of the **Installment Sale Contract** term with respect to each **covered collateral** or under any of the following conditions:
  - a) payment of a loss under this Agreement;
  - b) early **Installment Sale Contract** payoff or refinancing of original loan;
  - c) sale or transfer of the **covered collateral** to a new registered Borrower/Enrollee, except in the case of a transfer of equity or;
  - d) date of repossession of the **covered collateral**.

## IV. Termination Provisions:

You may cancel and terminate this optional gap agreement for a refund/credit of the unearned portion of the gap charge at any time prior to an occurrence or a total loss. The gap agreement will also terminate upon payment in full of the related credit agreement or expiration of any redemption period following the repossession or surrender of the related collateral. If any termination occurs within 30 days of the GAP purchase you will receive a full refund of the gap cost, or a credit equal to the full cost of the gap plus the amount of the applicable finance charge. If the termination occurs after 30 days you will receive a refund/credit of the gap cost calculated in accordance with the Pro-rata method (or by the refund method as required in YOUR state). However, in the event of Total Loss to the Covered Vehicle, this Addendum will be deemed as fully earned and no refund will be due or paid to the customer.

To cancel the GAP agreement, contact the Administrator at the address shown on page 1.

To receive a refund for a cancellation, in the event of early termination due to early contract payoff or refinancing of original loan, You must give Us written notice of the early termination of your loan. Notice should be mailed to the Administrator at the address shown on page 1 of this Agreement. We have the right to require proof of the date of termination of loan. If You have questions on how to obtain a refund, call 1-800-346-6469.

## V. Settlement Requirements:

All settlements must be reported in accordance with Section II above to the Administrator.

If you require additional information or have any questions concerning these terms and conditions, please call or write Administrator at the address on page 1.