

CUSTOMER BORROWER 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 NUMBER _____ MILEAGE _____

CHARGE TO CUSTOMER FOR DEFICIENCY WAIVER ADDENDUM \$ _____ ORIGINAL DATE OF CONTRACT _____

INSTALLMENT SALES CONTRACT / LOAN BALLOON LOAN/ LEASE AMOUNT FINANCED/ LEASE CAPS _____ TERM (IN MONTHS) _____ NEW USED

DEALER INFORMATION

Dealer # _____ Dealership _____
STREET ADDRESS _____
CITY _____ STATE _____ ZIP CODE _____

ASSIGNEE INFORMATION

Assignee _____ Installment sales contract / Loan / Lease Acct. # _____
STREET ADDRESS _____
CITY _____ STATE _____ ZIP CODE _____
PERIOD OF COVERAGE SELECTED UP TO 72 MONTHS
MAXIMUM LOAN AMOUNT \$25,000
NOT TO EXCEED NADA RETAIL 150% LTV

I (CUSTOMER), WHOSE SIGNATURE APPEARS BELOW, ACKNOWLEDGE THAT THE INFORMATION CONTAINED ABOVE IS, TO THE BEST OF MY KNOWLEDGE, TRUE. I HAVE READ THE DEFICIENCY WAIVER ADDENDUM IN ITS ENTIRETY, AND AGREE TO ALL OF THE PROVISIONS HEREIN. THE PURCHASE OF THE DEFICIENCY WAIVER ADDENDUM IS VOLUNTARY AND IS NOT REQUIRED TO OBTAIN CREDIT. I UNDERSTAND I MAY OBTAIN GAP PROTECTION FROM AN ALTERNATE SOURCE. I UNDERSTAND I MAY CANCEL THIS GAP ADDENDUM AT ANY POINT DURING THE ORIGINAL TERM OF THE RETAIL INSTALLMENT CONTRACT/LOAN/LEASE. 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 BY RULE OF 78'S LESS THE \$75 CANCELLATION FEE, UNLESS OTHERWISE REQUIRED BY APPLICABLE STATE LAW.

DATE _____ CUSTOMER'S SIGNATURE _____ DEALER'S SIGNATURE _____
COVERAGE

The named Customer is responsible to the named Dealer/Assignee under the terms of the described Installment Sales Contract/Loan/Lease Agreement for the amount of any early termination liability resulting from a Total Loss of the 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 Vehicle as defined herein.

The Deficiency Waiver Addendum will pay the amount equal to the Unpaid Net Balance less the Actual Cash Value (ACV) of the Vehicle, both as defined herein. The Customer's Primary Insurance settlement cannot be reduced by more than \$1,000 as a result of the application of the Customer's deductible and no coverage is provided for deductible reimbursement in the event the ACV exceeds the Unpaid Net Balance. It is further agreed that the maximum claim payment is limited to \$50,000.

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 VEHICLE.

DATE _____ CUSTOMER'S SIGNATURE _____ DEALER'S SIGNATURE _____

DEFINITIONS:

For the purpose of this Deficiency Waiver Addendum the following terms shall mean:

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

Vehicle means the four-wheeled private passenger vehicle, van, pickup or light truck not to exceed 1 3/4 ton capacity, as listed in the application section of this Addendum.

Date of Loss means the date on which the actual physical loss damage occurred to the 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 is the earlier.

Actual Cash Value means the Customer's Primary Insurance gross settlement, less deductible not exceeding \$1,000, or the National Automobile Dealer's Association (N.A.D.A.) Official Used Car Guide's "Retail" value or Kelley Blue Book Guide's "Retail" value, whichever is the greater. All valuations will be based on the best information available on the vehicle's options and condition.

Total Loss means a total or constructive total loss as defined by the individual Customer's primary automobile physical damage carrier. If no primary 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 Vehicle has not been recovered after a minimum period of 30 days from the date of the original police theft report.

Unpaid Net Balance is defined for the sole purpose of claims calculations, per the original retail installment sales contract or loan agreement, as the original "Amount Financed" divided by "Number of Payments" multiplied by number of months remaining from the Date of Loss to the final payment due date less all cancelable item refunds. No consideration will be given for any deferred, late or delinquent payments.

TERMS AND CONDITIONS:

- a. No coverage is provided for any Installment Sales Contract/Loan/Lease when the original term exceeds **72** months.
- b. No coverage is provided for that portion of the Unpaid Net Balance that results from the amount financed/lease cap cost exceeding the percentage of the MSRP on New vehicles and NADA "Retail" on Used vehicles selected on the front of this waiver, at the inception date of the Installment Sales Contract/Loan/Lease. These Installment Sales Contracts/Loans/Leases will not be disqualified from coverage, however, the Unpaid Net Balance will be determined based on this maximum limit. *It is further noted and agreed that all claim calculations will utilize the NADA Retail Value to determine the vehicle value at date of loan origination. MSRP will only be used when the make and model year of the vehicle in question does not appear in the NADA Official Used Car Guide at time of loan origination.*
- c. Primary Insurance: Should the Customer not have collectible physical damage insurance on the Date of Loss, it is the responsibility of the Customer to advise CALL GAP Ltd. in writing immediately when the loss is discovered and CALL GAP Ltd. will calculate the Actual Cash Value of the Vehicle immediately prior to the loss using the book values stated in the "Actual Cash Value" definition.
- d. This Deficiency Waiver Addendum is transferable only in the event the original loan is assumed by a third party and is subject to a \$50.00 transfer fee.
- e. This Deficiency Waiver Addendum is cancelable upon completion of the GAP Cancellation form at the originating dealer and is subject to the effective date of the cancellation not being prior to the date the cancellation form is completed at the originating dealer. This addendum may be flat canceled within thirty (30) days of the effective date, after thirty (30) days any refunds will be calculated at the Rule of 78s, unless otherwise required by applicable state law. However, in the event of Total Loss to the covered vehicle, the Addendum will be deemed as fully earned and therefore, no refund will be due. All cancellations after thirty (30) days of the effective date are subject to a \$50.00 cancellation fee.
- f. This Addendum shall be void if there is any change in the terms and conditions of the installment sales contract/loan/lease, change of assignee or any material facts have been concealed or misrepresented, or the case of fraud.
- g. This Addendum may not necessarily pay off the entire Unpaid Net Balance due by the customer.
- h. All claims calculations under this waiver will strictly adhere to the terms and conditions of this waiver, and therefore such calculations may not match or equal the calculation determined by the original lender.
- i. No payment will be made for any vehicle unless this Addendum has been reported to CALL GAP Ltd. by the dealer.

EXCLUSIONS:

This Addendum does not apply to loss or damage:

- a. Resulting directly or indirectly from any fraudulent act or due to the legal confiscation of the vehicle by a public official.
- b. Caused by a deliberate act of the customer or with the customer's knowledge that results in the vehicle being deemed a total loss.
- c. A vehicle that is part of a fleet or used for public hire, taxicabs, limousines etc.

Claim Requirements

IN THE EVENT OF A CLAIM, the Customer must provide, within 60 days of the Date of Loss, CALL GAP Ltd. at P. O. BOX 130159 Carlsbad, CA 92013-0159 the following documentation before any payment under this Addendum can be processed. Failure to provide this documentation within 90 days of the Date of Loss will VOID this Addendum.

1. Complete documentation from the Customer's primary insurance company substantiating the date of and cause of loss of the Vehicle, gross settlement amount, deductible, the net settlement amount and proof of payment.

Should the Customer not have collectible physical damage insurance on the Date of Loss, it is the Customer's responsibility to advise CALL GAP Ltd. in writing immediately when the loss is discovered and CALL GAP Ltd. will calculate the Actual Cash Value of the Vehicle immediately prior to the loss.

2. Complete documentation from the Dealer/Assignee showing the exact unpaid balance as defined herein.

3. Copy of GAP Addendum.

4. Copy of Bill of Sale (Invoice) for the Purchase of the Vehicle substantiating Vehicle make, model, year, options, and accessories, any cancelable items purchased, total purchase price and amount financed.

5. Copy of the police report (theft losses only).

6. Documentation showing refund amounts of any cancelable items purchased.

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