

GAP ADDENDUM

The Addendum is between the **Customer/Borrower** (You or Your) and the **Dealer/Creditor** (We, Us, or Our) or the **Financing Contract's** assignee.

Customer/Borrower		Address	
City	State	Zip	Customer Phone #

Dealer/Creditor		Dealer / Account #	Financial Institution / Lender MUSA or assignee	
Address		Address		
City	State	Zip	City	State

Year	Make	Model	Charge for Addendum	APR %	Term of Addendum
VIN	___ New ___ Used	MSRP / NADA	Amount Financed	Financing Contract Inception Date	

PROGRAM LIMITS

Maximum AFVR: 150% MSRP/NADA	Maximum Term: 60 Months	Maximum Limit of Coverage: \$50,000	Maximum Amount Financed Limit: \$125,000	Finance Instrument XXX Lease
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This Addendum amends the **Financing Contract**. In the event of a **Constructive Total Loss** of the **Collateral**, we hereby agree to waive our rights against you for the amount due under a **Qualifying Loss**. You will remain responsible for any past due amounts, payment extensions, or any items listed in EXCLUSIONS. This Addendum will follow the **Financing Contract** with no subrogation rights against the **Customer/Borrower**, if the **Financing Contract** is sold or assigned by us.

Although not required to do so, you elect to purchase this Addendum for an additional charge which is shown above. You may as an alternative to purchasing this Addendum, be able to purchase a similar product from a company of your choice. This GAP Program is not insurance, does not take the place of insurance on the Collateral and does not afford collision, comprehensive, or any other form of automobile insurance coverage. You are responsible for all communications with your Primary Carrier including notice and claims. If you purchase this Addendum from us, you understand that the Dealer/Creditor may retain all or a portion of the charge paid by you.

ENROLLMENT IS AVAILABLE ONLY AT THE TIME THE FINANCING CONTRACT IS ORIGINALLY EXECUTED. BY YOUR SIGNATURE BELOW, YOU ACKNOWLEDGE AND AGREE THAT YOUR ACCEPTANCE OF THIS ADDENDUM IS VOLUNTARY AND IS NOT REQUIRED IN ORDER FOR YOU TO OBTAIN CREDIT, DOES NOT IMPACT THE CREDIT TERMS, AND HAS NO EFFECT ON THE TERMS OF THE RELATED SALE OF THE COLLATERAL.

The coverage under this Addendum may decrease over the term of your Financing Contract. You should carefully read the front and back of this Addendum for additional information on conditions, limitations and exclusions that could prevent you from receiving the amount due under a Qualifying Loss attributed to a Constructive Total Loss.

YOUR RIGHT TO CANCEL: You have the unconditional right to cancel this optional Addendum for a refund/credit of the unearned portion of the charge for this Addendum at any time. If the Addendum is terminated or cancelled by You within 30 days of the Addendum purchase, you will receive a full refund/credit of the Addendum cost, provided no Constructive Total Loss has occurred; after 30 days, the Addendum will be considered fully earned and no refund will be given. To cancel this Addendum and request a refund/credit, you must contact the Dealer/Creditor, in writing, at the address shown above. If the refund/credit is not received within 60 days of notice of cancellation, contact the Administrator shown below. In the event of a cancellation, the Financial Institution/ Lender will be named as payee on all refunds and sole payee on a repossession refund.

This Addendum has no coverage to any Collateral where: a) the amount financed is greater than the Maximum Amount Financed Limit; and/or b) the Financing Contract term exceeds the Maximum Term stated above.

By your signature below, you acknowledge you have read and understand this Addendum and its CONDITIONS and no other verbal representations have been made to you that differ from these written provisions. THIS GAP ADDENDUM IS NOT REQUIRED TO OBTAIN CREDIT, NOR TO OBTAIN CERTAIN TERMS OF CREDIT OR TO PURCHASE THE RELATED MOTOR VEHICLE. THIS GAP ADDENDUM WILL NOT BE PROVIDED UNLESS YOU SIGN AND AGREE TO PAY THE ADDITIONAL COST. This GAP Addendum is not an insurance policy or part of an insurance policy. You authorize release of financing contract or any other information required for processing this addendum or processing of a loss.

Customer/Borrower Signature	Date	Dealer/Creditor	Date
Co-Customer/Borrower Signature	Date	Title	

Customer/Borrower Email Address _____

QUALIFYING LOSS PROCEDURES: In the event of a **Constructive Total Loss**, you must notify and provide the documents listed below to the Administrator within 180 days from the **Settlement Date** or no amount will be waived for any **Qualifying Loss**. In the event there is no **Primary Insurance**, the Customer/Borrower has 180 days from the **Date of Loss** to report a **Qualifying Loss**. A **Qualifying Loss** will cause this Addendum to terminate and be fully earned and not subject to any cancellation refund. The GAP Addendum may not cancel or waive the entire amount owing at the time of loss. Please submit: 1) a copy of the **Financing Contract** and a copy of this signed Addendum, 2) a copy of the **Financing Contract history** and pay-off as of the **Date of Loss**, 3) a legible copy of the police report, which must include confirmation of the **Collateral** shown on this Addendum. If a police report is not available, and the cause of loss to **Collateral** was NOT due to theft or fire, a signed and notarized brief description of the loss (including confirmation of the **Collateral**) will be acceptable, 4) a copy of the settlement check, **Collateral** valuation report and total loss breakdown, color photos, repair estimate and complete total loss package from **Primary Carrier** and Declarations Page issued by the **Primary Carrier**, (provided **Primary Carrier** coverage is in effect on the **Date of Loss**), 5) a copy of the Bill of Sale (aka Buyer's Order, Purchase Agreement, etc.) as well as the manufacturer's invoice or window sticker (if the vehicle was purchased new). If the vehicle was purchased used, a copy of the bookout sheet, 6) verification of any other refundable amounts, 7) any additional or reasonable documentation requested by the Administrator. The Administrator will not be able to obtain this information for you.

REPORT A QUALIFYING LOSS TO OUR ADMINISTRATOR:

Administrator: Auto Trac System, 18 Augusta Pines Drive, Suite 220W, Spring, TX 77389, (800) 353-1123

Qualifying Loss Documentation Fax Number: (832) 482-3537

Email: Claims@diftx.com

CONDITIONS

1. Concealment, Misrepresentation and fraud: This Addendum may not cover a qualifying loss if you, the Customer/Borrower intentionally conceal or misrepresent any material fact relating to this Addendum.
2. You are responsible for making at least the minimum payment under the terms of the **Financing Contract** for each payment due scheduled after the **Date of Loss** until the request for a **Qualifying Loss** has been processed.
3. Should you not have collectible automobile physical damage insurance on the **Date of Loss**, it is your responsibility to advise the Administrator within 180 days from the **Date of Loss** and have the **Collateral** available for inspection by the Administrator (inspection will be paid by the Administrator). The Administrator will calculate the **Actual Cash Value** of the **Collateral** immediately prior to the loss.
4. This coverage applies only to a **Qualifying Loss** sustained while the **Collateral** is within the United States of America (USA), its territories or possessions, Canada, or being transported between any parts thereof.
5. This Addendum will provide coverage to the **Collateral** where the Amount Financed to Value Ratio (AFVR) exceeds the Maximum AFVR stated above however, the Addendum will not cover the amount exceeding the Maximum AFVR.

MITIGATION OF LOSS

You should do all things reasonable and practical to avoid any loss covered under this Addendum and to protect the **Collateral** from any further loss. You should also take reasonable measures to ensure that the maximum amount of **Actual Cash Value** of the **Collateral** is paid by your **Primary Carrier**.

TERMINATION OF ADDENDUM

This **Addendum** will terminate on the earlier date that one of the following events occurs: 1. the date your **Financing Contract** is scheduled to terminate; 2. upon payment in full of the **Financing Contract**; 3. expiration of any redemption period following the repossession or surrender of the **Collateral**; 4. in the event of a **Constructive Total Loss** or theft of the **Collateral**; or 5. the date the **Financing Contract** is prepaid or the **Financing Contract** is refinanced.

DEFINITIONS

Actual Cash Value (ACV) means the retail value of the **Collateral** on the **Date of Loss**, as listed in a national or regional guide, such as National Automobile Dealers Association (NADA) or an equivalent national or regional guide for the territory in which the **Collateral** is principally garaged.

Collateral is the vehicle described in the schedule of this **Addendum** and described in the **Financing Contract**.

Constructive Total Loss means a direct and accidental loss of or damage to the **Collateral**, which meets one of these criteria: 1.) the total cost to repair the **Collateral** is greater than or equal to the **Actual Cash Value** of the **Collateral** immediately prior to the loss; or 2.) the **Customer/Borrower's Primary Carrier** declares the **Collateral** a total loss. In the case there is no primary insurance coverage, the **Collateral** must be available for the Administrator's inspection to determine if the **Collateral** is a total loss, except in the case of unrecovered theft.

Customer/Borrower - The natural person(s) or business named in the **Financing Contract** purchasing this **Addendum** from the **Dealer/Creditor**.

Date of Loss means the date on which the **Collateral** is reported stolen or incurs physical damage that is severe enough to constitute a **Constructive Total Loss**.

Financing Contract means the contract which represents the financing instrument for the purchase or lease of the **Collateral**, which sets forth the terms, conditions, inception date, and expiration date of the financing instrument.

Financial Institution/Lender means the entity to which your **Financing Contract** is sold, assigned or transferred.

Loan means **Financing Contract**.

Net Payoff means the amount, as of the **Date of Loss**, represented by the portion of your unpaid balance according to the original payment schedule of the **Financing Contract** that is secured by the **Collateral**, subject to the following limitations: the amount does not include any unearned finance charges or loan/financing charges; past due payments/skipped payments as described in the **Financing Contract**; late charges; uncollected service finance charges; refundable prepaid taxes and fees; disposition fees; termination fees; penalty fees; the recoverable portion of finance service charges or the recoverable portion of financed amounts for unearned insurance premiums or refundable charges (including, but not limited to credit life, vehicle service coverages/warranties and guaranteed automobile protection charges) that are owed by you on the **Date of Loss**; and amounts that are added to the financing instrument balance after the inception date of the **Financing Contract**.

Qualifying Loss means the difference between the **Net Payoff** and the **Primary Carrier** settlement or in the event of no **Primary Carrier**, the **Net Payoff** and the **Actual Cash Value**. The **Qualifying Loss** will not exceed the Maximum Limit of Coverage as shown in the **Addendum** schedule. If settlement by the **Primary Carrier** or the **Actual Cash Value** is greater than or equal to the outstanding balance, no **Qualifying Loss** will be afforded under this **Addendum**. **Qualifying Loss** includes the amount of the physical damage deductible on the **Primary Carrier** policy up to \$1,000. In the event that there is no **Primary Carrier** coverage in effect on the **Date of Loss**, or if the **Primary Carrier** is declared insolvent, or if no proceeds are received from the **Primary Carrier** policy, the **Addendum** will only cover the difference between the **Net Payoff** and the **Actual Cash Value** of the **Collateral** on the **Date of Loss**. If there is no **Primary Carrier**, the **Collateral** must be available for inspection by the Administrator (inspection will be paid by the Administrator) to determine if the **Collateral** is a **Constructive Total Loss**, except in the event of an unrecovered theft.

Primary Carrier means the insurance company prior to the **Date of Loss** that underwrites a policy of insurance providing physical damage coverage on the **Collateral** or the insurance company that provides liability coverage to any person who has caused the **Collateral** to incur a **Constructive Total Loss**.

Settlement Date - the date on which the **Primary Carrier** issues the settlement check for the **Collateral**

Installment Sales Contract means **Financing Contract**.

EXCLUSIONS

In addition to other provisions herein, this **Addendum** does not provide coverage for loss:

- A. occurring prior to the effective date of this **Addendum**.
- B. occurring prior to the **Financing Contract** inception date shown in the schedule.
- C. due to confiscation of the **Collateral** by a government body or public official.
- D. caused by theft, unless a police report is filed.
- E. resulting from the **Collateral** being operated, used, or maintained in any race, speed contest, or other contest.
- F. to the **Collateral** held as security under any wholesale, floor plan, field warehouse, or any type of financing made to a dealership or its employees.
- G. occurring after the **Collateral** has been repossessed by the **Financial Institution/Lender** or placed in their possession or in the possession of their employees or agents.
- H. to **Collateral** with a **Financing Contract** in which the Amount Financed for **Collateral** exceeds the Maximum Amount Financed Limit shown on the front of this **Addendum** at the inception date of the **Financing Contract**.
- I. to **Collateral** with a **Financing Contract** where the contract term exceeds the Maximum Term as shown on the front of this **Addendum**.
- J. for any amounts deducted from the **Primary Carrier** settlement due to wear and tear, prior damage, unpaid insurance premiums, salvage value, and towing and storage.
- K. to the following vehicles which are excluded from coverage: Aston Martin, Bentley, Daewoo, Ferrari, Lamborghini, Lotus, Maserati, Rolls Royce, and Yugo.
- L. attributable to other than the standard or optional equipment available from the manufacturer of the **Collateral**, including but not limited to: special carpeting, furniture, bars, audio, video, or data equipment, cooking and sleeping facilities, customized paint, or any equipment installed to overcome a physical handicap. Factory approved conversion packages and dealer installed options usually included in used car value guidebooks are not excluded.
- M. to the **Collateral** with a salvage or rebuilt title at the time of sale or for which title has been changed or re-issued as salvage or rebuilt prior to the **Date of Loss**.
- N. resulting directly or indirectly from any dishonest, fraudulent, criminal, or illegal act or arising from an intentional act committed by you or a person covered under the policy underwritten by your **Primary Carrier**.
- O. from a **Financing Contract** that does not have uniform scheduled payments after the first payment is made and/or a **Financing Contract** or **Loan** that is self-financed. The first payment must be made within 45 days of the **Financing Contract** inception date.
- P. due to war, whether or not declared, invasion, civil war, insurrection, rebellion, or revolution.

STATE PROVISIONS

Colorado, Kansas, Indiana, Louisiana, Maine, Missouri, New Mexico, South Carolina, Vermont and Wisconsin: The cancellation fee is not applicable.

Alabama: The cost of the GAP is not regulated, and the **Customer/Borrower** should determine whether the cost of the GAP **Addendum** is reasonable in relation to the protection afforded by the GAP **Addendum**.

Arkansas: The cost of the **Addendum** is not regulated and You have the responsibility to determine whether the cost of the **Addendum** is reasonable in relation to the coverage afforded by this **Addendum**

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 the Dealer/Creditor.

Illinois: The **Dealer/Creditor**, or an affiliate of the **Dealer/Creditor**, may receive something of value in connection with your purchase of this **Addendum**.

Indiana: Financing Contracts where the amount financed is less than 80% of MSRP for a new Vehicle, or 80% of NADA for a used vehicle, are not eligible for participation in this GAP program. You may be able to obtain GAP coverage from your primary insurance carrier. Upon prepayment in full of **Your Financing Contract**, this **Addendum** is automatically terminated and We will issue a refund in accordance with the "YOUR RIGHT TO CANCEL" section.

Kansas: The DEFINITION of **Actual Cash Value (ACV)** means the value established by the primary insurance carrier. If there is not primary insurance coverage at the time of the loss, the market value of the vehicle will be determined by the National Automobile Dealers Association ("NADA") Official Used Car Guide or equivalent. The EXCLUSION section is amended by deleting P. **GAP coverage may not cancel or waive the entire amount you owe at the time of loss. To file for a qualifying loss claim, contact the Provider at 800-353-1123, claims@diftx.com, or at 18 Augusta Pines Drive, Suite 220W, Spring, TX 77389.** The cancellation fee is not applicable. For **complaints**, you may contact the Kansas Office of the State Bank Commissioner, 700 S.W. Jackson #300, Topeka, KS 66603, <http://www.osbckansas.org/>.

Louisiana: **Cancellation** fees are not applicable. "**Payable Loss**" is defined as the consumer's deficiency balance between the **Net Payoff** of the consumer's loan retail installment sales contract at the time of a loss and the amount paid by the consumer's primary insurance after a vehicle is deemed a total loss due to any direct or accidental physical damages or un-recovered theft. **EXCLUSION K** to read as: for any amounts deducted from the **Primary Carrier** settlement due to prior damage, unpaid insurance premiums, and towing and storage.

Maine: GAP coverage is not available and is excluded on leased vehicles. In the event of a cancellation, the cancellation fee is not applicable. Qualifying Loss Procedures section is amended to state the following: In the event of a **Constructive Total Loss**, you must notify the Administrator within 180 days from the **Settlement Date** or no amount will be waived for any **Qualifying Loss**. In the event there is no **Primary Insurance**, the **Customer/Borrower** has 180 days from the **Date of Loss** to report a **Qualifying Loss**. A **Qualifying Loss** will cause this **Addendum** to terminate and be fully earned and not subject to any cancellation refund. **The GAP Addendum may not cancel or waive the entire amount owing at the time of loss.** The following documents must be submitted to the **Administrator** by You: 1) a legible copy of the police report, which must include confirmation of the **Collateral** shown on this **Addendum**. If a police report is not available, and the cause of loss to **Collateral** was NOT due to theft or fire, a signed and notarized brief description of the loss (including confirmation of the **Collateral**) will be acceptable, 2) a copy of the **Primary Carrier's** complete loss package, 3) verification of any other refundable amounts, 4) any additional or reasonable documentation requested by the Administrator. The Administrator will not be able to obtain this information for you. In the event the **Customer/Borrower** unable to report a qualifying claim within 180 days of total loss due to particular circumstances, the **Customer/Borrower** may request an extension to be granted for the review of such circumstances that led to the delay of reporting the Qualifying Loss claim. The **Administrator** may request reasonable documentation to prove such situation for delay of reporting the **Qualifying Loss** claim. Once an extension has been granted, the **Customer/Borrower** will have 180 days to complete the **Qualifying Loss** claim process. **Exclusions:** Any exclusion or limitation contained herein which was known by or should have been known by the **Dealer/Creditor** at the time of sale is void.

Minnesota: **THE GAP WAIVER IS OPTIONAL. YOU DO NOT HAVE TO PURCHASE THIS PRODUCT IN ORDER TO BUY THIS MOTOR VEHICLE. YOU ALSO HAVE A LIMITED RIGHT TO CANCEL.**

Nebraska: This addendum is not insurance and is not regulated by the Nebraska Department of Insurance. The Financial Institution / Lender or Administrator cannot unilaterally modify the terms of the waiver unless the modification is favorable to the borrower and is made without additional charge to the borrower, or the borrower is notified of the proposed modification and has the option to cancel the waiver without penalty

Nevada: A GAP waiver is not a policy of liability or casualty insurance and does not satisfy the requirement to maintain liability insurance pursuant to NRS 485.185; Failure to make a payment under the terms of the Contract may void this GAP Amendment.

New Hampshire: If GAP Addendum is cancelled due to an early termination of the finance agreement, the Customer/Borrower must provide a written refund request to Administrator or Dealer/Creditor within 90 days of the occurrence of the event terminating the finance agreement. If You have any questions or complaints regarding this **Addendum**, You may contact the obligor at Nova Casualty Company, 760 Exchange Street, Suite 1020, Buffalo, NY 14210, 800-289-3742 or You may contact the New Hampshire Insurance Department at the Department's Consumer Services Unit at 800-852-3416 or via email at consumerservices@ins.nh.gov.

Oregon: Because You financed the purchase of this **Addendum**, any cancellation or early termination refund due may be paid directly to the creditor or may be applied to any outstanding balance under Your **Financing Contract**. If You have paid your **Financing Contract** in full, any refund owed will be paid to You. You must apply in writing to the **Dealer/Creditor** for any refund within 90 days of any cancellation except in instances where the cancellation is a result of the early termination of Your **Financing Contract**. The **Dealer/Creditor** shall cause to be made an appropriate refund pursuant to the terms of this **Addendum**. If You do not receive Your credit or refund within sixty (60) days, please notify the administrator listed on the **Addendum**.

South Carolina: The cancellation fee is not applicable.

Tennessee: The cost of the **Addendum** is not regulated and you have the responsibility to determine whether the cost of the **Addendum** is reasonable in relation to the coverage afforded by this **Addendum**.

Utah: The Addendum is subject to limited regulation by the Utah Insurance Commissioner. Complaints regarding the GAP Addendum may be submitted to the offices of the Utah Insurance Commissioner.

Vermont: The **Dealer/Creditor** must assign, sell or transfer, within 15 business days, the **Financing Contract** to a **Financial Institution/Lender** as defined in subdivision 1110(32) of Title 8 or a credit union or entity licensed under subdivision 2201(a) (1) or (3) of Title 8 or this Addendum is void and you will receive a full refund of the charges of the Addendum.

Washington: 1. Any refund of purchase price for an **Addendum** that was included in the financing of the **Collateral** may be applied by the creditor as a reduction of the overall amount owed under the **Financing Contract**, rather than applying the refund strictly to the purchase price of the **Addendum**. 2. The **Addendum** is not credit insurance, nor does it eliminate your obligation to insure the **Collateral** as provided by laws of this state. Purchasing an **Addendum** does not eliminate your rights and obligations under the vendor single-interest and collateral protection coverage laws of this state. 3. **CONDITION 1** is amended to read: This **Addendum** shall be void if any material fact(s) have been intentionally concealed or misrepresented, or in the case of fraud.

West Virginia: Once activation of waiver benefits has been initiated, and until such time as the request for a benefit under the **Addendum** is resolved, the **Addendum** shall not be terminated or cancelled, nor shall a request for a benefit under the **Addendum** be denied, by the creditor, administrator or other designated party, solely due to your failure to make monthly payments owed for the **Addendum** purchase.

Wisconsin: In the event the Finance Agreement is terminated early, **Financial Institution/Lender** will initiate the refund of the **GAP Addendum**. According to the cancellation provisions of the **Addendum**, there is no obligation on the part of the **Customer** to request a refund due to the early termination of the **Finance Agreement**. In the event of a cancellation, your **Financial Institution/Lender** will be named sole payee. You are entitled to a full refund plus any applicable finance charges if the cancellation occurs within the first 30 days and the refund is being credited to your account.