



OPTIONAL DEFICIENCY WAIVER ADDENDUM

Commercial Heavy Truck (16,001 and greater GVWR) or Commercial Trailer

Inception Date: _____

Purchaser/Customer/Lessee Name: _____

Address: _____ City: _____ State: _____ Zip: _____

Protected Vehicle Year/Make/Model: _____

VIN: (17 Characters) or S/N _____ New Used

Dealer/Seller: _____

Address: _____ City: _____ State: _____ Zip: _____

Creditor/Assignee/Lessor: _____

Address: _____ City: _____ State: _____ Zip: _____

Financing Contract Amount: \$ _____ Financing Contract Term: _____ months APR _____ %

Financing Contract Type: Installment Sales Contract/Loan Balloon Loan Lease

(One financing contract type box must be checked – see Condition B. for settlement provisions by loan type)

Max. Limit of Liability: \$50,000 Max. Financing Contract Term: 84 Months for Loans

Max. Financing Contract Amount: Unlimited 84 Months for Leases

Max. % of Vehicle Value At Loan/Lease: 115% Max. Deductible Buyback: \$1,000

This GAP protection contract addendum, which is effective as of the inception date above, amends the FINANCING CONTRACT. This addendum is between the PURCHASER/CUSTOMER/LESSEE shown above (YOU or YOUR) and the DEALER/SELLER shown above (WE, US, or OUR) or if the FINANCING CONTRACT is assigned to another party, the ASSIGNEE.

In the event of a CONSTRUCTIVE TOTAL LOSS or UNRECOVERED THEFT to the PROTECTED VEHICLE, we agree to waive our rights against you for an amount subject to the LIMITS OF LIABILITY on the reverse side and the terms, conditions and exclusions hereof. You will remain responsible for payment of any items stated under Exclusions and that remain unpaid in the FINANCING CONTRACT.

GAP does not take the place of insurance on the PROTECTED VEHICLE. You are responsible for maintaining collision and comprehensive insurance for the full value of the vehicle and any other insurance required by the FINANCING CONTRACT or applicable law. You are responsible for all notifications or claims that are required to be filed with your automotive insurance company. We will not process or handle your insurance claims for you. If you move during the term of this contract, it is your responsibility to notify US or our Administrator of your change of address.

You may wish to consult an alternative source to determine whether similar protection may be obtained and at what cost. If you purchase GAP from this source, you understand that we may retain all or a portion of the charge for this GAP addendum. You should carefully read the back of this addendum for additional information on eligibility, requirements, conditions and exclusions that could prevent you from receiving benefits under this addendum.

LIMITATIONS-THIS IS ONLY A PARTIAL LIST. YOU MUST READ THIS ENTIRE GAP ADDENDUM FOR ALL LIMITATIONS:

- A. We will not waive that portion of the UNPAID NET BALANCE that results from the original FINANCING CONTRACT amount exceeding the Max. % of VEHICLE VALUE AT LOAN /LEASE stated above at the inception date of this addendum.
B. The amount waived for FINANCING CONTRACTS with terms greater than the Maximum Financing Contract Term stated above will be based on a net payoff calculated using the Maximum Financing Contract Term stated above.
C. Any addendum issued for a term or an amount financed in excess of A or B above will be deemed eligible for enrollment as limited by this section.
D. FINANCING CONTRACTS that do not have uniform monthly repayment terms for the full period of the FINANCING CONTRACT are subject to the provisions of Condition B on the reverse side of this form.

TERMINATION OF ADDENDUM: This addendum will terminate on the date that any of the following events occur: 1. the date your FINANCING CONTRACT is scheduled to terminate; 2. in the event that the FINANCING CONTRACT is terminated prior to its maturity date; 3. in the event that a PROTECTED VEHICLE is sold, assigned or transferred by You before the expiration date of the FINANCING CONTRACT; 4. expiration of any redemption period following the repossession or surrender of the PROTECTED VEHICLE; or 5. the date the FINANCING CONTRACT is prepaid or the FINANCING CONTRACT is refinanced.

BY YOUR SIGNATURE BELOW YOU ACKNOWLEDGE AND AGREE TO THE FOLLOWING:

- THAT THIS GAP ADDENDUM IS NOT AN INSURANCE POLICY OR PART OF AN INSURANCE POLICY.
• THAT YOUR ACCEPTANCE OF THIS GAP ADDENDUM IS VOLUNTARY AND IS NOT REQUIRED IN ORDER FOR YOU TO OBTAIN CREDIT, DOES NOT IMPACT YOUR ABILITY TO OBTAIN ANY PARTICULAR OR MORE FAVORABLE CREDIT TERMS AND HAS NO EFFECT ON THE TERMS OF THE RELATED SALE OF THIS VEHICLE.
• THAT YOU HAVE READ AND UNDERSTAND THIS ADDENDUM AND ITS PROVISIONS AND AGREE THAT NO VERBAL REPRESENTATIONS HAVE BEEN MADE TO YOU THAT DIFFER FROM THESE WRITTEN PROVISIONS.
• YOU AUTHORIZE RELEASE OF FINANCING CONTRACT INFORMATION REQUIRED FOR PROCESSING OF A LOSS.
• LOSSES MUST BE REPORTED TO THE BELOW ADMINISTRATOR WITHIN NINETY (90) DAYS OF THE PRIMARY CARRIER'S SETTLEMENT OR, IF THERE IS NO PRIMARY CARRIER, WITHIN NINETY (90) DAYS OF THE DATE OF LOSS.
• THIS POLICY MAY NOT BE CANCELLED ONCE EXECUTED AND IS NON-REFUNDABLE. THE POLICY WILL REMAIN IN FORCE FOR THE ORIGINAL TERM OF THE INSTALLMENT SALE CONTRACT / LOAN / LEASE OR UNTIL THE INSTALLMENT SALE CONTRACT / LOAN / LEASE IS PAID IN FULL, WHICHEVER OCCURS FIRST, SUBJECT TO A MAXIMUM TERM OF 84 MONTHS.

Yes, I elect the Deficiency Waiver Addendum and acknowledge understanding of all provisions above and on succeeding pages. The Charge for this GAP Addendum is \$ _____

Purchaser/Customer/Lessee Signature: _____ Date: _____

Dealer/Seller Signature: _____ Date: _____

Administrator: Comprehensive Auto Resources Company, Inc. PO Box 1268, Exton, PA 19341 877-902-8790

LIMITS OF LIABILITY

The amount **WE** will waive under this addendum shall not exceed the lesser of:

- A. The amount shown as the **MAXIMUM LIMIT OF LIABILITY** on Page 1; or
- B. If the collateral is protected by a **PRIMARY CARRIER**; the amount obtained by subtracting the primary insurance settlement, including any amount that the primary deductible exceeds the Max. Deductible Buyback reflected on Page 1, from the **UNPAID NET BALANCE**. If a portion of the **PROTECTED VEHICLE** is not covered by a **PRIMARY CARRIER**, the **ACTUAL CASH VALUE AT LOSS** of that portion and the amount of any unrepaired prior damage or the value of any retained salvage shall be added to the primary insurance settlement. The total will then be subtracted from the **UNPAID NET BALANCE**; or
- C. If the **PROTECTED VEHICLE** is not protected by a **PRIMARY CARRIER**; the amount obtained by subtracting the **ACTUAL CASH VALUE AT LOSS** of the **PROTECTED VEHICLE**, reduced by the amount of any prior damage or retained salvage, from the **UNPAID NET BALANCE**.

DEFINITIONS

- A. **FINANCING CONTRACT/LOAN/LEASE**: The contract which represents the financing agreement between **YOU** and **US** for the purchase or lease of the **PROTECTED VEHICLE**, and which sets forth the terms, conditions, inception date and expiration date of the financing agreement.
- B. **PROTECTED VEHICLE**: The vehicle shown on Page 1. The vehicle shown on Page 1 must be a heavy truck greater than 16,001 GVWR, Type A, B, C, D or E Tractor as reflected in NADA Official Commercial Truck Guide or a commercial trailer (which is covered by a **PRIMARY CARRIER**) which is not used to carry passengers for hire and is principally garaged and used in the United States. A new **PROTECTED VEHICLE** is a **PROTECTED VEHICLE** that is (1) of the current or immediately previous model year; (2) has less than 6,001 odometer miles at the time of purchase/lease; and (3) has not been previously titled. A used **PROTECTED VEHICLE** is a **PROTECTED VEHICLE** that is (1) older than the immediately previous model year, and/or (2) has more than 6,001 odometer miles at the time of purchase/lease, and/or (3) has been previously titled.
- C. **VEHICLE VALUE AT LOAN/LEASE**: The lesser of (1) the manufacturer's suggested retail price, (2) the selling price of the vehicle or (3) the vehicle's retail value from the current, at date of loan or lease, NADA Commercial Truck Guide or National Automobile Dealer's Association (NADA) guide.
- D. **PRIMARY CARRIER**: The insurance company that: 1) is secured by **YOU** to provide physical damage coverage, as required in the **FINANCING CONTRACT** on a **PROTECTED VEHICLE**, or 2) provides liability coverage to any person who has caused **YOUR** vehicle to incur a **CONSTRUCTIVE TOTAL LOSS** and for which that person is legally liable. Additionally, the **PRIMARY CARRIER** shall be any other coverage **YOU** may have protecting **YOUR** interest in the **PROTECTED VEHICLE**, contingent upon the failure or absence of **YOUR** coverage.
- E. **CONSTRUCTIVE TOTAL LOSS**: A loss where the cost to repair or replace the **PROTECTED VEHICLE** plus its salvage value would exceed the **ACTUAL CASH VALUE AT LOSS**.
- F. **UNRECOVERED THEFT**: A **PROTECTED VEHICLE** reported as stolen to both the police and the **PRIMARY CARRIER** who have made every effort, yet have failed to find and return the **PROTECTED VEHICLE**. A **PROTECTED VEHICLE** that is confiscated or improperly taken or secreted by **YOU**, where both **YOUR** and the **PROTECTED VEHICLE'S** whereabouts are not known shall not be deemed for the purposes of this addendum as an **UNRECOVERED THEFT** loss.
- G. **ACTUAL CASH VALUE AT LOSS**: The retail value of the **PROTECTED VEHICLE** or any portion thereof with appropriate adjustments for mileage, optional equipment or unrepaired prior damage. The retail value will be determined from the current, at **DATE OF LOSS**, NADA Commercial Truck Guide or National Automobile Dealers Association guide.
- H. **UNPAID NET BALANCE**: The amount owed to **US** by **YOU**, in accordance with the terms and conditions of the **FINANCING CONTRACT**, resulting from early termination of the **FINANCING CONTRACT**. This amount may not include any unearned interest; loan or lease charges; late charges; any **DELINQUENT PAYMENTS**; any uncollected service charges; refundable prepaid taxes or fees; or any other proceeds **YOU** may duly recover by canceling insurance coverages, service contracts or warranties; disposition fees, termination fees, penalty fees, or other items added to the initial **FINANCING CONTRACT** balance after the inception of the **FINANCING CONTRACT**. If two or more pieces of collateral are secured under a **FINANCING CONTRACT**, **WE** will not waive more than the proportionate share of the total **UNPAID NET BALANCE** that the balance applicable to the **PROTECTED VEHICLE** represents to the total **FINANCING CONTRACT** balance. The **UNPAID NET BALANCE** also excludes loans or special finance offers which may waive or delay payment of principal or interest.
- I. **DELINQUENT PAYMENT(S)**: Any payment, as described in the **FINANCING CONTRACT**, which remains unpaid for a period of more than ten (10) days after the date stated in the **FINANCING CONTRACT**. **DELINQUENT PAYMENTS** will also include any late charges or interest that have accrued due to past due **FINANCING CONTRACT** payments.
- J. **DATE OF LOSS**: The date on which the actual physical damage or **UNRECOVERED THEFT** occurs. If such date is indeterminable, the **DATE OF LOSS** shall be the date the **PRIMARY CARRIER** makes settlement and payment to **You**.

EXCLUSIONS

This addendum does not cover loss or damage:

- A. Occurring prior to the effective date of this addendum.
- B. In connection with a **FINANCING CONTRACT** effected prior to the effective date of this addendum.
- C. Resulting directly or indirectly from any dishonest, fraudulent, criminal, or illegal act or arising from an intentional act committed by **YOU**.
- D. Due to or resulting from mechanical or electrical breakdown or failure.
- E. Resulting from the vehicle being operated, used, or maintained in any race, speed contest or other contest.
- F. If the vehicle was ever titled as salvage or rebuilt vehicle.
- G. For any amounts deducted from the **PRIMARY CARRIER'S** settlement due to wear and tear, prior damage, unpaid insurance premiums, salvage, towing and storage and other condition adjustments.
- H. Attributable to other than the standard or optional equipment available from the manufacturer of the **PROTECTED VEHICLE**, 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.
- I. If **YOU** (1) intentionally concealed or misrepresented any material fact; (2) engaged in fraudulent conduct; or (3) made a false statement in submitting a potential loss.
- J. Due to the **UNRECOVERED THEFT** of the vehicle unless a police report has been filed.
- K. If the loss is not reported within ninety (90) days of settlement with the **PRIMARY CARRIER** or, should there be no **PRIMARY CARRIER**, within ninety (90) days of the **DATE OF LOSS**.
- L. Occurring after the expiration of any redemption period following the repossession or surrender of the **PROTECTED VEHICLE**.
- M. To any equipment that is not covered by the **PRIMARY CARRIER**.
- N. Occurring to a commercial trailer which is not covered by a **PRIMARY CARRIER**.

CONDITIONS

- A. **ADDENDUM PERIOD, TERRITORY**: This addendum shall be effective for the term reflected on Page 1, and will only cover losses that occur during the original **FINANCING CONTRACT** term of a **PROTECTED VEHICLE** in the United States, its territories and possessions and Canada.
- B. **FINANCING CONTRACTS WITH NON-UNIFORM PAYMENT TERMS**:
If the first monthly payment is due more than forty-five (45) days after the date of the **FINANCING CONTRACT**, for the purpose of loss settlement the **FINANCING CONTRACT** shall be amortized as if the first monthly payment were due in forty-five (45) days, using equal monthly payments, applying the lowest interest rate applicable at any time during the term of the **FINANCING CONTRACT**.
 - (1) Unless designated on page 1 as a lease or balloon loan, if the **FINANCING CONTRACT** is a lease or a loan with a balloon payment at the end of the **FINANCING CONTRACT** term, for the purpose of loss settlement the **FINANCING CONTRACT** shall be amortized using the method below that results in the lower balance at the time of the **CONSTRUCTIVE TOTAL LOSS** or **UNRECOVERED THEFT**:
 - a) The amortization schedule specified in the **FINANCING CONTRACT**, or
 - b) Full amortization of the **FINANCING CONTRACT** to zero balance using equal monthly payments and the **FINANCING CONTRACT** interest rate over the **FINANCING CONTRACT'S** original term.
 - (2) If designated as a lease or balloon loan on page 1, for the purpose of loss settlement, the lease or balloon note loan shall be amortized to the lesser of (a) the residual value or balloon amount stated in the **FINANCING CONTRACT** or (b) 30% of the **VEHICLE VALUE AT LOAN/LEASE**
 - (3) All other **FINANCING CONTRACTS** with non-uniform payment terms shall be amortized on a simple interest basis over the stated **FINANCING CONTRACT** term using the lowest interest rate applicable at any time during the **FINANCING CONTRACT** term and equal monthly payments.
- C. **MITIGATION OF LOSS**: **YOU** should do all things reasonable and practical to avoid or reduce any loss under this addendum and to protect the **PROTECTED VEHICLE** from any further loss. **YOU** should also take reasonable measures to ensure that the maximum amount of actual cash value of a **PROTECTED VEHICLE** is paid by the **PRIMARY CARRIER**. Any loss due to **YOUR** failure to protect the vehicle or maximize settlement from the **PRIMARY CARRIER** shall not be recoverable under this addendum.
- D. **DECLARATIONS**: By accepting this addendum, **You** acknowledge the agreements and representations in the addendum and agree that this addendum is issued based upon the truth of such representations.
- E. **ASSIGNMENT**: This GAP addendum will follow the **FINANCING CONTRACT** with no subrogation rights against the Purchaser/Customer/Lessee, if the **FINANCING CONTRACT** is sold or assigned by the **DEALER/SELLER**. This addendum shall not be assigned, ceded or transferred by **YOU**.

See page three for specific State Provisions and Loss Document Requirements.

STATE PROVISIONS

MI: Your cost for this Addendum is separately stated from the Financing Contract in compliance with the Truth In Lending Act, 15 USC 1601 to 1667f, and the regulations promulgated under that act, 12 CFR, part 226.

NE: This Addendum is not insurance and is not regulated by the Nebraska Department of Insurance. The benefits afforded under this Addendum do not take the place of insurance on the Covered Vehicle.

TN: The cost of this addendum is not regulated and that the consumer has the responsibility to determine whether the cost of the addendum is reasonable in relation to the protection afforded by this addendum.

TN, GA: Neither the extension of credit, the terms of the credit nor the terms of the related sale in the case of a motor vehicle or other good or service are to be conditioned upon the purchase of a debt protection agreement.

UT: This Addendum is subject to limited regulation by the Utah Commissioner of Insurance. Any complaints regarding this Addendum may be submitted to the Utah Commissioner of Insurance.

LOSS DOCUMENT REQUIREMENTS

YOU shall report any potential loss to **US** within ninety (90) days of settlement with the **PRIMARY CARRIER** or should there be no **PRIMARY CARRIER** within ninety (90) days of the **DATE OF LOSS**. For each loss **YOU** must provide the following and any other additional information we may request: 1) a copy of the primary insurance settlement worksheet and check; 2) verification of any other insurance or other recoverables (including sale of salvage); 3) verification of any other refundable amounts; 4) a copy of this GAP addendum; 5) verification of the primary insurance deductible and the date of loss; 6) a copy of the police report, in the case of an **UNRECOVERED THEFT**; 7) details of the **FINANCING CONTRACT** include **YOUR** name and address, account number, amount borrowed, interest rate, payment amount, **FINANCING CONTRACT** history and calculation of **UNPAID NET BALANCE** amount and; 8) any additional reasonable documentation requested by **US** or our GAP administrator. No amount shall be waived by **US** if the claim is not reported or if the documentation is not provided within the stated time period. All amounts waived as the result of this addendum shall be applied to the **FINANCING CONTRACT** balance within thirty (30) days after satisfactory presentation and acceptance of all information listed above to **US**. Loss processing will not be made until **YOU** have recovered all amounts from any insurance or other indemnity which is valid and collectible and from any other recoverable or refundable source.