

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

**APPI-FW**

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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 addendum for additional information on eligibility, conditions, limitations and exclusions that could prevent You from receiving benefits under this addendum.

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				VEHICLE PURCHASE PRICE				FINANCIAL INSTITUTION		FINANCIAL AGREEMENT NUMBER				
DATE				\$				ADDRESS						
<input type="checkbox"/> FINANCIAL AGREEMENT SALES CONTRACT		TERM OF THE FINANCIAL AGREEMENT IN MONTHS				ADDRESS								
<input type="checkbox"/> NEW		<input type="checkbox"/> USED		AMOUNT FINANCED				CITY		STATE		ZIP		
\$														
GAP CONTRACT COST			FINANCE CHARGE			EFFECTIVE DATE			PHONE			CONTACT		
\$			%											

## ACCEPTANCE

I hereby acknowledge that the Guaranteed Asset Protection (GAP) Contract is not required as a condition of credit and is **STRICTLY VOLUNTARY** and that 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 that I may obtain a GAP Contract from anyone I choose that is acceptable to the Financial Institution. I understand 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 the payment of (1) all Primary Insurance deductibles over \$1,000.00 unless otherwise limited by State Provisions and (2) any amounts not covered under the terms and conditions of this Contract. (State provisions can be found at the end of this Contract.)

**WARNING: THIS CONTRACT DOES NOT PROVIDE 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:	
I have read and agreed to all the above conditions:				X _____	
				Consumer Signature(s) <span style="float: right;">Date</span>	

X _____		
Seller/Dealer/Lienholder Signature	Title	Date

ADMINISTRATOR - WHITE
LIENHOLDER - YELLOW
SELLER - PINK
CONSUMER - WHITE

Program Administrator  
 Advanced Protection Products International, Inc.  
 17732 Highland Rd, Suite G-158, Baton Rouge, LA 70810

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

**GAP AGREEMENT.** The Buyer and the **Seller** named on page one (1) hereby agree to amend the provisions of the **Retail Installment Sales Contract** for the **Vehicle** and **Financial Institution** referenced on page one (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 addendum 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 addendum does not provide coverage, and will automatically terminate if the **Retail Installment Sales Contract** is refinanced. This addendum 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 Type 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. The minimum term is twenty-four (24) 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) the retail value of the **Vehicle** (per NADA or equivalent market evaluation manual), or (3) the **Actual Cash Value** established by the underlying insurer or by nationally recognized value guides. 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, 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. 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 damage or theft 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 for a period of more than thirty (30) days 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 of the **Vehicle**.

**Financial Institution** means the Dealer, or Lienholder.

**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, and extensions of maturity, 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**.

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 **GAP 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 one of this **Contract**. The **Vehicle** must be garaged and used only in the **Territory**.

**You, Your, Consumer** means the Purchaser, or Borrower.

**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 personal use **Vehicles** that are less than 12,500 pounds gross **Vehicle** weight (GVWR) 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. The minimum term is twenty-four (24) months.

**BALLOON FINANCIAL AGREEMENTS, AND DEFERRED PAYMENT FINANCING.** The maximum term of any balloon **Financial Agreement**, or deferred payment **Financial Agreement** shall be no more than eighty-four (84) months. The minimum term is twenty-four (24) months.

This GAP Program is not eligible for **Financial Agreements** where less than 80% of MSRP for a new **Vehicle** or NADA average retail value for a used **Vehicle** is financed.

Balloon **Financial Agreements** and 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 DWI/DUI or any intentional forgery or any criminal or illegal act committed by **You** or any authorized driver; (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 the **Vehicle** being operated, used, or maintained in any race, speed, or other contest; (7) resulting from **Total Loss** to the covered **Vehicle** caused by or resulting from the following: wear and tear, gradual deterioration, obsolescence, rust, corrosion, latent defect, inherent defect, freezing, overheating; 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; (8) any loss other than a **Total Loss**; (9) on a leased **Vehicle** or; (10) for a commercial **Vehicle**. **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/**Financial Institution** or **Program Administrator**. The **Program Administrator** must receive cancellation requests within thirty (30) days of the requested cancellation date. If this **Contract** is cancelled within sixty (60) days of the date of purchase, **You** will receive a full refund. If this **Contract** is cancelled after sixty (60) days from the date of this **Contract**, the refund will be calculated using the pro rata refund method unless otherwise mandated by state law. The **Financial Institution** will be named as payee on any refund of this **Contract**. 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.

**TRANSFER.** Coverage is transferable to another individual as long as **You** remain on the **Financial Agreement** and the **GAP Contract**. The **Financial Agreement** cannot be refinanced and the collateral cannot be replaced.

**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 borrower as described on page one (1) of this **Contract** and may not be assigned or transferred to another person or **Financial Institution** and is not renewable.

**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** must report a **Total Loss** to **Your Primary Insurance** carrier within five (5) days of the loss. **You** shall provide the following documentation to the **Program Administrator** at the address shown below. All copies must be complete and legible. Any deficiency must be submitted within sixty (60) days from the date of the issuance of the **Primary Insurance** check. Any deficiency submitted after the sixty (60) day period will not be paid.

1. A copy of the **Primary Insurance** company claim settlement check(s) and settlement worksheet.
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 Security Agreement.
5. Documentation from the **Financial Institution** detailing the payoff as of the **Date of Loss**.
6. A copy of the complete history of the loan showing all payments and transactions.

**You** may direct all inquiries regarding this **Contract** to the **Program Administrator** shown below.

**STATE PROVISIONS.** **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 Administrator. **Kansas:** GAP coverage is not required by the creditor. GAP coverage may not cancel or waive the entire amount owing at the time of loss. **Kansas Consumers** with questions or complaints may contact the Office of the State Bank Commissioner, 700 S.W. Jackson #300, Topeka, KS 66603, (785) 296-2266 or toll free 877-387-8523. **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 the Customer's liability for the difference between the unpaid net balance (excluding past due amounts, payment extensions, insurance or other charges as described in this **Contract**) under the **Consumer's Retail Installment Sales Contract** and the **Actual Cash Value** of the Customer's **Vehicle** as of the date of the **Total Loss** of the Customer's **Vehicle**. **Montana:** If **You** are canceling this **Contract** due to early termination of the **Financial Agreement**, **You** must provide a written request to the creditor, Program Administrator, or other party within ninety (90) days of the occurrence of the event terminating the **Financial Agreement**. **Nebraska:** The Dealer/**Financial Institution** or Program Administrator must receive cancellation requests within ninety (90) days after the occurrence of the event terminating the **Financial Agreement**. This **GAP Contract** is not insurance and is not regulated by the Nebraska Department of Insurance. This **GAP Contract** remains a part of the **Financial Agreement** upon the assignment, sale or transfer of such **Financial Agreement** by the Dealer/**Financial Institution**. **Pennsylvania:** A portion of the charges **You** pay for **Your** GAP coverage will be retained by the dealer. **Tennessee:** The cost of this GAP waiver is not regulated and the customer has the responsibility to determine whether the cost of the GAP waiver is reasonable in relation to the protection afforded by the GAP waiver. The effective date of any cancellation may be no earlier than ninety (90) days prior to the date such written notice is received by Administrator. **UTAH – IMPORTANT NOTICE:** This **Contract** is subject to limited regulation by the Utah Commissioner of Insurance. A complaint regarding this **Contract** may be submitted to the Utah Commissioner of Insurance. **Vermont:** The **Seller** must assign, sell or transfer, within 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 addendum is void and **You** will receive a full refund of the charges of this addendum. **Washington:** ANY REFUND OF THE PURCHASE PRICE FOR THIS **CONTRACT** THAT WAS INCLUDED IN THE FINANCING OF THE **VEHICLE** MAY BE APPLIED BY THE **FINANCIAL INSTITUTION** AS A REDUCTION OF THE OVERALL AMOUNT OWED UNDER THE **FINANCIAL AGREEMENT**, RATHER THAN APPLYING THE REFUND STRICTLY TO THE PURCHASE PRICE OF THE **CONTRACT**. **You** may cancel this **Contract** within thirty (30) days of the date of purchase and will be entitled to a full refund of the purchase price, so long as no benefits have been provided. **You** may cancel this **Contract** after thirty (30) days from the date of purchase and at any time prior to the occurrence of a **Total Loss** by providing a written request to cancel to the Dealer/**Financial Institution** or Program Administrator within ninety (90) days of the event terminating the **Financial Agreement**. The refund will be calculated using the pro rata refund method. If the cancellation of this **Contract** occurs as a result of a default under the **Financial Agreement** or the repossession of the **Vehicle** associated with the **Financial Agreement**, or any other termination of the **Financial Agreement**, any refund due may be paid directly to the **Financial Institution** to be applied as a reduction of the amount owed unless **You** can show that 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 provide **You** and the **Financial Institution** a 45-day notice of cancellation (10 days for non-payment of premium) which will include the effective date and reason for cancellation and calculate **Your** refund pro rata. Notice of cancellation will state the effective date of cancellation. The **Contract** period will end on that date. 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. Old Republic Insurance Company is obligated to reimburse or pay to the creditor any sums the creditor is legally obligated to waive under this **Contract**. This **Contract** is not credit insurance, nor does it eliminate **Your** obligation

Program Administrator – Advanced Protection Products International, Inc.  
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Telephone 888-366-3774 – Fax Customer Service (225) 612-6731 – Fax Claims (225) 612-6731

to insure the **Vehicle** as provided by laws of the State of Washington. Purchasing this **Contract** does not eliminate **Your** rights and obligations under the vendor single-interest and collateral protection coverage laws of the State of Washington. **Wisconsin:** This **Contract** complies with the Wisconsin **Consumer Act**, Chapters 421-427 of the Wisconsin Statutes. This **Contract** is between the Buyer and **Seller**, or if assigned, with the assignee, pursuant to the terms and conditions of this **Contract**. This **Contract** is applicable to **Retail Installment Sales Contracts** and balloon loans. This **Contract** will also terminate upon payment in full of the Installment Sale Agreement or expiration of any redemption period following the repossession or surrender of the **Vehicle**. **You** will not be

charged for the cost of any appraisal requested by Administrator. To cancel this **Contract**, contact the Administrator at P.O. Box 35008, Tulsa, OK 74153-0008, 800-331-3780. **You** are entitled to a refund of the unearned portion of the GAP charge following any termination of this **Contract** for any reason and a refund will be calculated by the pro-rata method and provided to **You** following any termination of this **Contract**. The owner of this **Vehicle** is covered by this **Contract**. If this **Contract** is canceled during the first thirty (30) days, the refund will include the amount of any applicable finance charges. This **Contract** will be deemed fully earned only when a GAP benefit has been or will be paid to **You**.

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**ADVANCED PROTECTION PRODUCTS INTERNATIONAL, INC.**  
**(Tulsa Branch)**

**PRIVACY DISCLOSURE AND PROTECTION POLICY**

**The Information We Collect**

Advanced Protection Products International, Inc. (“APPI”) receives certain non-public information from its clients and customers in the performance of its 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 it and its clients and customers.

Further, the Company:

- a. Limits access to any information it receives so that only APPI’s employees who have a need to know have access to it;
- b. Advises its employees who have access to such information that this information is of a confidential nature and that the disclosure of it is forbidden;
- c. Discloses personal or confidential information only to non-affiliated third parties with the prior consent of the customer, except when required by law or regulation;
- d. Safeguards all information received by using commercially reasonable means to maintain confidentiality.

**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.