



Guaranteed Asset Protection (GAP) Advantage Addendum

Member Name: _____ Account #: _____ Date: _____
 Loan Suffix: L _____
 Vehicle Type (i.e. Auto, Truck, Boat): _____ User #: _____ Branch #: _____
 Vehicle Year/Make/Model: _____ Vehicle ID # (VIN): _____

Yes! I want GAP.

I have read this addendum in its entirety, including the reverse side of this form, fully understand its contents, and acknowledge receipt of a copy thereof. I understand that my election of this GAP Addendum is voluntary and optional, is not required in order to obtain financing or to purchase the Vehicle, and is not a condition of the installment loan. I understand that this addendum is not an offer of insurance coverage. I also acknowledge that if I decide to cancel within 60 days from the date of GAP purchase I will receive full reimbursement of the enrollment fee. After 60 days, the fee is fully earned and nonrefundable. In the event of a Loss or Unrecovered Theft of the Vehicle, the enrollment fee will be deemed as fully earned and, therefore, no refund will be due. Minimum loan balance of \$2,000 is required at the time of enrollment.

By participating in this GAP Addendum, Alaska USA Federal Credit Union agrees to cancel my liability in the event of a Loss or Unrecovered Theft for the GAP Amount, subject to the provisions and exclusions identified on the reverse side of this form. I understand the maximum term for this addendum shall not exceed the term of the installment loan.

The one-time enrollment fee is \$ _____ includes a \$1,000 Financing Incentive.

I agree that the enrollment fee will be added to my installment loan, which may extend the term of my installment loan. I understand the interest rate on my installment loan will not change but I may pay additional interest over the life of my installment loan as a result of the addition of the GAP enrollment fee to my loan balance.

No, I do not want GAP.

In the event my Vehicle is a Loss or Unrecovered Theft and my insurance company pays less than the outstanding balance under my installment loan, I understand I will be fully responsible for any deficiency balance.

Borrower's Signature: _____ Date: _____

Co-Borrower's Signature: _____ Date: _____

EXCLUSIONS AND LIMITATIONS

This GAP Addendum does not apply when the Loss or Unrecovered Theft is: (1) resulting directly or indirectly from forgery or any dishonest, fraudulent, or criminal act by you; (2) caused intentionally by you; (3) to a Vehicle used for commercial purposes including Vehicles used for taxi, limousine or "shuttle" service; (4) for reconstructed/rebuilt "R" Titled Vehicles.

The amount cancelled shall not exceed \$50,000 in total. Our maximum cancellation shall be the GAP Amount. For autos, vans, pickups, and light trucks, we will not cancel that portion of the Unpaid Net Balance attributable to the original installment loan amount exceeding 150% of the Manufacturer's Suggested Retail Price (MSRP) on new Vehicles or 150% of the Retail Value on used Vehicles. For all Other Vehicles, our cancellation amount will be based upon 125% of MSRP (new) or 125% of the Retail Value (used). The GAP Amount shall not include any refundable additions to amount financed; finance charges, fees, funds, or interest accrued or added after the date of Loss; late charges; Delinquent Payments; uncollected service charges; refundable prepaid taxes and fees. It shall not include proceeds you can duly recover by canceling insurance coverages, service contracts, or warranties, nor disposition fees, termination fees, or penalty fees; other items, charges, fees, or funds built in to or added to the initial installment loan or any deductions made by the Primary Insurance carrier for salvage purchase or for prior damage that had already been paid by you.

DEFINITIONS

"We", "us", and "our" refer to Alaska USA Federal Credit Union; "you" and "your" mean the Member/Borrower shown in the reverse side of this form.

For the purposes of the GAP Addendum, the following words are defined and their meaning will be as follows:

"Vehicle" and "Other Vehicles" can include

- Private Passenger vehicles not used for commercial purposes: four-wheeled autos, vans, pickups, or light trucks not to exceed one-ton load capacity. Vehicles used for taxi, limousine, or "shuttle" service are excluded, as well as reconstructed/rebuilt "R" Titled vehicles.
- Miscellaneous vehicles not used for commercial purposes and not to exceed MSRP (new) or Retail Value (used) of \$50,000, including: any motorcycles, all-terrain vehicles (ATVs), snowmobiles, golf carts, or jet skis.
- Travel Trailers not used for commercial purposes and not to exceed MSRP (new) or Retail Value (used) of \$125,000, including: conventional trailers from 12 to a maximum of 35 feet in length, fifth-wheel travel trailers, folding camping trailers, or truck camper units.
- Watercraft not used for commercial purposes and not to exceed MSRP (new) or Retail Value (used) of \$125,000, including: inflatables or boats, houseboats, sailboats (including trailer) all from 7 to a maximum of 50 feet in length, whether inboard, outboard, jet drive, or stern drive.
- Motorhomes not used for commercial purposes and not to exceed a Retail Value of \$125,000.

"GAP Amount" means the difference between the Primary Insurance carrier's physical damage insurance payment for a Loss or Unrecovered Theft or, if uninsured, the Vehicle's Actual Cash Value, and the Unpaid Net Balance of the installment loan. If you are entitled to collect the same from others, including, but not limited to, primary and other insurance, or salvage sale, that portion of the payment will not be included in the GAP settlement.

"Loss" means a loss where the cost to repair or replace the Vehicle would exceed the Actual Cash Value, as determined by the Primary Insurance carrier or designated appraiser.

"Unrecovered Theft" means the Vehicle has been reported as stolen by you to both the police and Primary Insurance carrier, who have made every effort, yet have failed to find and return the Vehicle.

"Actual Cash Value" means the amount determined by the Primary Insurance carrier at the time of the Loss or Unrecovered Theft. However, if there is no Primary Insurance at the time of a Loss or Unrecovered Theft, Actual Cash Value shall mean the Retail Value of the Vehicle using the National Automobile Dealers Association (NADA) Official Used Car Guide with appropriate adjustments for mileage or optional equipment.

"Primary Insurance" means in force insurance coverage, required by us and carried by you, to protect the Vehicle from collision and comprehensive Loss, naming us as the lienholder.

"Unpaid Net Balance" means the amount owed by you to clear the outstanding amount of the installment loan upon the date of Loss.

"Delinquent Payments" means any payment, as described in the installment loan instrument, which remains unpaid for a period of more than sixty (60) days after the due date stated in the installment loan instrument that remains unpaid at the date of Loss.

"Financing Incentive" In the event of a total Loss or Unrecovered Theft of your Vehicle, you may be eligible to receive an additional credit, from us, of \$1,000. In order for you to receive this additional credit, you must finance a replacement vehicle with us within ninety (90) days from the date the insurance settlement is received. The Financing Incentive has no cash value and will only be paid by us in the form a credit towards the amount financed of your replacement vehicle.

"Retail Value" means the National Automobile Dealers Association (NADA) Official Used Car Guide's published value with the appropriate adjustments for mileage or optional equipment.

"Manufacturer's Suggested Retail Price (MSRP)" means the base Manufacturer's Suggested Retail Price at the time of introduction, including standard equipment only and excluded taxes, transportation fees and destination fees.

NOTICE OF LOSS

You must notify us at (800) 525-9094 within 30 days of receiving final settlement from the primary or third party insurance carrier and provide the following: (a) copy of the insurance settlement, (b) verification of the insurance deductible, (c) copy of police report in the case of an Unrecovered Theft.