

Frequently Asked Questions for Guaranteed Asset Protection

What is Guaranteed Asset Protection (GAP)?

In the event your vehicle is totaled or stolen, your primary insurance company settlement can be significantly less than the outstanding loan or lease balance. This may create a deficiency balance or a “gap” resulting in a serious financial hardship for you. Not only do you need to finance a loan for a replacement vehicle but you would have to pay off the deficiency on your current loan. GAP covers the loan balance that your primary insurance carrier did not cover.

What are the Benefits of GAP?

1. Low Cost protection with 60-day free look
2. Protections provided for the term of the loan (up to 84 months)
3. Covers primary insurance deductible up to \$1,000 (not available in all states – consult your financial institution representative)
4. NO model, mileage or year restrictions
5. Eliminates the out-of-pocket expense for the remaining loan balance after loss settlement
6. Helps the borrower avoid financial hardship and afford a replacement vehicle
7. Prevents deficiency balance from being added to the new loan
8. Helps protect the borrower’s credit rating

Can I buy this same type of coverage through my dealer?

Yes you can! But you will find GAP rates sold through dealerships are much higher in most cases.

How do I pay for the GAP coverage?

Normally, GAP is financed in with your loan. You may be able to pay the full GAP fee up front in one payment (consult your financial institution representative to see if this is an available payment option)

Will I receive something in the mail after I purchase GAP explaining the coverage?

No, the GAP coverage is defined in the GAP Waiver Addendum or GAP certificate given to you at time of purchase.

Can I purchase GAP after loan origination?

Yes, you can purchase GAP any time after loan origination but it is not recommended after 18 months.

I am refinancing my loan can I purchase GAP at that time?

Yes, the GAP would cover the new loan term and balance.

What vehicles are eligible for GAP?

New and used autos, vans, SUV's and light trucks, up to 1 ton loan capacity are eligible. Other vehicles may be eligible, please consult your financial institution representative.

Can I buy GAP on a salvage/reconstructed titled vehicle?

No. Salvage or reconstructed title vehicles are not eligible for GAP.

I have an older car, is there an age limit?

As long as a value for the vehicle can be found in the regular NADA publication, it is eligible for GAP.

I will be using my vehicle for my business, can I buy GAP?

If the vehicle is titled under an individual, not a business name, it is eligible for GAP.

How do I file a claim?

Contact your financial institution to file a GAP claim. They will need a copy of your primary insurance company's settlement worksheet once they settled your claim. The GAP claim payment is paid back through your financial institution and applied to your loan.

Is there a deadline to file a GAP claim?

GAP claims must be filed within 60 days from the date of your primary carrier's settlement.

How do I receive payment for the GAP Claim?

The GAP claim settlement is paid to your financial institutions and applied to your loan.

Does GAP replace my comp and collision coverage?

No, GAP is not a substitute for collision or property damage insurance.

How is my deductible covered by GAP?

The primary insurance deductible is covered as part of your unpaid loan balance; it is not "reimbursed". GAP covers the difference between the actual cash value (ACV) of your vehicle and the outstanding loan balance. Since your insurance company pays ACV less the amount of your deductible, the "gap" is increased by this amount. When your loan balance is paid off by GAP the deductible is paid as part of that balance. Deductible coverage is available in most but not all states. Consult your financial institution representative.

If my primary insurance pays off my loan balance in full does GAP reimburse me for my deductible?

No, see "How is my deductible covered" question above. You did not actually pay for the deductible, so GAP does not pay the deductible back to you.

Does GAP cover towing and storage expenses?

No, it does not.

What is the maximum amount GAP will pay?

Maximum GAP loss covered is \$50,000.

Does GAP pay if I am uninsured?

If there is no primary insurance, GAP pays the difference between the actual cash value of your vehicle, at the time of loss, and the outstanding balance of your loan. Most likely GAP would not pay off the loan balance in full in this situation.

I have GAP and am going to refinance my loan – does the GAP transfer to the new loan?

GAP could transfer to the refinanced loan however, if any money is added to the loan or the term extended when the loan is refinanced, GAP will not cover these. The GAP you purchased is an Addendum to the loan contract on which it was sold.

Can GAP be transferred to a different vehicle?

No, GAP cannot be transferred to another vehicle. The GAP waiver purchased is an addendum to the loan contract on which it was sold and protects the vehicle listed on the original loan agreement only.

I am refinancing my loan from another financial institution – can the GAP transfer to my new loan?

No, GAP coverage is non-transferable.

I am going to have additional funds added to my loan – do I need to purchase a new GAP enrollment?

Yes. Any additions or modifications to your loan will not be covered unless you purchase a new GAP enrollment. The GAP you originally purchased is an addendum to the loan on which it was sold so any monies added to the loan would not be covered.

Can I purchase my salvage back from my insurance company?

If you purchase your salvage from your insurance company, they will deduct this amount from what they pay. This amount of this deduction will not be covered by GAP.

If I am past due on my loan, how does this affect the GAP settlement?

GAP will cover past due payments up to 30 days*, if you are past due more than that, the past due payments will be deducted from the GAP settlement. This includes skipped payments as part of a lender skip a pay program. GAP does not cover any late charges.

*This can vary - consult your financial institution representative for number of past due payments covered with your program.

I have a service warranty policy on my vehicle – does this affect the GAP claim

GAP does not cover the refundable portion of any service warranty or full term credit life insurance since you can obtain this reimbursement back by canceling the policies with the appropriate companies.

My car has been totaled, should I continue to make payments on my loan?

Yes, continue to make your loan payments and notify your financial institution representative of the total loss as soon as possible.

What is the GAP advantage (GAP Plus)?

GAP Advantage is an additional \$1,000 benefit toward the financing of a replacement vehicle.

What conditions must be met to make me eligible for the GAP advantage benefit?

1. There must be a total loss to your vehicle
2. You must finance a replacement vehicle with the same institution within 90 days of the date of your primary insurance settlement
3. Must file for the claim for the Advantage within 95 days of the date of your primary insurance settlement

If there is no “GAP” after my primary insurance pays, am I still eligible for the GAP advantage coverage?

Yes. You are eligible for the GAP Advantage benefit in the event of a Total Loss to the Eligible Collateral listed in the GAP Waiver Addendum.

How is the GAP advantage paid?

The benefit is paid through the financial institution and is applied as a credit to your new loan. It is not paid as a cash benefit to the borrower.