

SERFF Tracking Number: CNAC-125301538 State: Arkansas  
Filing Company: Continental Casualty Company State Tracking Number: AR-PC-07-026190  
Company Tracking Number: 07-2160F  
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0022 Other  
Product Name: Contractual Liability Policy  
Project Name/Number: /07-2160

## Filing at a Glance

Company: Continental Casualty Company

Product Name: Contractual Liability Policy

TOI: 17.0 Other Liability - Claims

Made/Occurrence

Sub-TOI: 17.0022 Other

Filing Type: Form

SERFF Tr Num: CNAC-125301538 State: Arkansas

SERFF Status: Closed

State Tr Num: AR-PC-07-026190

Co Tr Num: 07-2160F

Co Status:

State Status:

Reviewer(s): Betty Montesi, Edith

Roberts, Brittany Yielding

Disposition Date: 10/02/2007

Disposition Status: Approved

Effective Date Requested (New): 11/01/2007

Effective Date Requested (Renewal): 11/01/2007

Effective Date (New):

Effective Date (Renewal):

## General Information

Project Name:

Project Number: 07-2160

Reference Organization:

Reference Title:

Filing Status Changed: 10/02/2007

State Status Changed: 09/24/2007

Corresponding Filing Tracking Number:

Filing Description:

Status of Filing in Domicile: Pending

Domicile Status Comments:

Reference Number: 07-2160

Advisory Org. Circular:

Deemer Date:

On behalf of Continental Casualty Company, we hereby submit for your review and approval the attached forms and rates for use with our Contractual Liability Program. Please see the attached Forms Filing Memorandum for further details regarding this filing and a listing of all new forms contained in the filing.

## Company and Contact

### Filing Contact Information

Morris Micaah, Regulatory Filing Technician

40 Wall Street

micaah.morris@cna.com

(212) 440-2319 [Phone]

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New York, NY 10005

(212) 440-2877[FAX]

**Filing Company Information**

Continental Casualty Company

CoCode: 20443

State of Domicile: Illinois

40 Wall Street

Group Code: 218

Company Type:

9th Floor

New York, NY 10005

Group Name:

State ID Number:

(212) 440-3478 ext. [Phone]

FEIN Number: 36-2114545

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## Filing Fees

Fee Required? Yes  
 Fee Amount: \$50.00  
 Retaliatory? No  
 Fee Explanation:  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Continental Casualty Company	\$0.00	09/24/2007	

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
0000204009	\$50.00	09/20/2007

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Edith Roberts	10/02/2007	10/02/2007

*SERFF Tracking Number:* CNAC-125301538      *State:* Arkansas  
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*Project Name/Number:* /07-2160

## **Disposition**

Disposition Date: 10/02/2007

Effective Date (New):

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Cover Letter	Approved	Yes
Supporting Document	Memo	Approved	Yes
Form	Contractual Liability Policy	Approved	Yes
Form	Certificate of Insurance	Approved	Yes
Form	Guaranteed Auto Protection (GAP) Advantage Program Debt Waiver Addendum	Approved	Yes
Form	Guaranteed Auto Protection (GAP) Preferred Program Debt Waiver Addendum	Approved	Yes
Form	Guaranteed Auto Protection (GAP) Advantage Program Debt Waiver Addendum	Approved	Yes

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## Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Contractual Liability Policy	GSL2388 (Ed. 8/2007)	8/07	Endorsement/Amendment/Conditions	New	0.00	GSL2388_082007_Contractual Liability Policy-FINAL.pdf
Approved	Certificate of Insurance	GSL2389 (Ed. 6/2007)	6/07	Endorsement/Amendment/Conditions	New	0.00	GSL2389_062007_Certificate of Insurance.pdf
Approved	Guaranteed Auto Protection (GAP) Advantage Program Debt Waiver Addendum	6921 (Ed. 11/06)	11/06	Endorsement/Amendment/Conditions	New	0.00	6921_112006_Guaranteed Auto Protection (GAP) Advantage Program Debt Waiver Addendum.pdf
Approved	Guaranteed Auto Protection (GAP) Preferred Program Debt Waiver Addendum	6922 (Ed. 12/06)	12/06	Endorsement/Amendment/Conditions	New	0.00	6922_122006_Guaranteed Auto Protection (GAP) Preferred Program Debt Waiver Addendum.pdf
Approved	Guaranteed Auto	6923 (Ed. 11/06)	11/06	Endorsement/Amendment/Conditions	New	0.00	6923_112006_Guaranteed Auto Protection (GAP) Preferred Program Debt Waiver Addendum.pdf

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Protection (GAP) 11/06)	nt/Amendm	6_Guarantee
Advantage	ent/Condi	d Auto
Program Debt	ons	Protection
Waiver		(GAP)
Addendum		Advantage
		Program
		Debt Waiver
		Addendum.p
		df





## Contractual Liability Policy

VARIOUS PROVISIONS IN THIS POLICY RESTRICT COVERAGE. READ THE ENTIRE POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES AND WHAT IS AND WHAT IS NOT COVERED.

The "Named Insured" means the entity named as such on the **Certificate of Insurance**. The words "we," "us" and "our" refer to the insurance company shown on the **Certificate of Insurance** as the Insurer.

Words and phrases, whether expressed in the singular or in the plural, that appear in bold are defined in SECTION II. **DEFINITIONS** of this Policy.

Whereas, the **Policyholder** is the Gap Program Administrator for the Dealer/Creditor on each **Debt Waiver Addendum**;

Whereas, the **Policyholder** desires to arrange for insurance for all of the Dealer/Creditors contractual liability under the **Debt Waiver Addendums**;

Whereas, we are willing to insure all Dealer/Creditors of the **Policyholder** who sell its **Debt Waiver Addendum**;

Now therefore, we hereby agree to insure such of those Dealer/Creditors who sell the **Policyholder's Debt Waiver Addendums** subject to the definitions, exclusions, conditions, endorsements and other terms of this Policy, as set forth herein. Each Dealer/Creditor will be issued a **Certificate of Insurance** evidencing coverage under this Policy.

We are issuing this Policy in consideration of the payment of the premium by the **Policyholder** when due.

### I. **INSURING AGREEMENT**

We will pay on behalf of the **Insured** all **Loss** it is contractually obligated to pay pursuant to a **Debt Waiver Addendum** provided that:

- A. such **Debt Waiver Addendum** has been reported to us during the policy period stated on the **Certificate of Insurance** on a Premium Remittance Report, and
- B. premium has been received by us for such **Debt Waiver Addendum**, in accordance with Section IV, **PREMIUM REPORTING PROVISIONS**;

### II. **DEFINITIONS**

The following defined words shall have the same meaning throughout this Policy, whether expressed in the singular or the plural. Wherever appearing in bold print in this Policy:

**Borrower** means the person, business, or entity who has been extended financing pursuant to a **Finance Contract**.



## Contractual Liability Policy

**Certificate of Insurance** means the document issued to each Named Insured evidencing the terms, limits and endorsements provided to the **Insureds** under this Policy.

**Certificate Period** means the period of time from the effective date indicated on the Named Insured's **Certificate of Insurance** to the earliest date of expiration, cancellation or termination of such **Certificate of Insurance**. All times are determined by the Named Insured's address set forth in its **Certificate of Insurance**.

**Debt Waiver Addendum** means an agreement, the form of which has been approved by us, entered into between the **Insured** and the **Borrower** as an addendum to a **Finance Contract** defining the terms and conditions pursuant to which the **Insured** will waive a defined portion of a **Borrower's** debt under such **Finance Contract**. A copy of approved **Debt Waiver Addendums** are attached to this Policy.

**Finance Contract** means an installment sales or lease agreement between the Named Insured and the **Borrower**.

**Insured** means the Dealer/Creditor named as such in the **Debt Waiver Addendum**.

**Loss** means the total amount of the **Finance Contract** debt owed by the **Borrower** that the Named Insured has agreed to waive pursuant to the terms and conditions of the **Debt Waiver Addendum**. **Loss** does not include:

- a. Any fees, costs or expenses incurred by the **Insured**, in defending or responding to any claims, arbitration or mediation proceeding, suit, or any other judicial or quasi-judicial or administrative proceeding.
- b. Liability for consequential damages, including, but not limited to, any penalties for an **Insured's** failure to comply with a decision granting equitable relief, any extra contractual damages or loss of use.
- c. Any punitive or exemplary damages or penalties or fines of any kind pertaining to or arising out of any covered **Debt Waiver Addendum**.

**Policyholder** means the Gap Program Administrator indicated on the **Certificate of Insurance**. This Policy provides no coverage to the **Policyholder**.

### III. LIMIT OF INSURANCE:

The Limit of Liability under each **Certificate of Insurance** is the total of all **Loss** for which the **Insured** is legally liable under covered **Debt Waiver Addendums** sold to all **Borrowers** during the **Certificate Period**.

### IV. PREMIUM REPORTING PROVISIONS:

A Premium Remittance Report, in a format specified by us, shall be sent monthly to our GAP Program Administrator at the address stated in the Declarations by the Named Insured.



## Contractual Liability Policy

### V. CONDITIONS

#### A. OTHER INSURANCE

If the **Loss** covered by this Policy is also covered by other insurance, we will pay only the proportion of the **Loss** that the limit of insurance that applies under this Policy bears to the total amounts of insurance covering the **Loss**.

#### B. EARLY TERMINATION OF A **DEBT WAIVER ADDENDUM**

1. If a **Debt Waiver Addendum** is canceled prior to its expiration date, all premium paid in connection with such **Debt Waiver Addendum** will be refunded by us to the Named Insured pro rata.
2. In the event of a claim, under a **Debt Waiver Addendum**, there will be no return of premium.

#### C. EXAMINATION OF BOOKS AND RECORDS

The Named Insured agrees to keep a true record of each covered **Debt Waiver Addendum** and relevant information to which this Policy applies, open at all times to inspection by us or by our representatives.

We may examine, audit and copy the **Insured's** books and records as they relate to this Policy at any time during the policy period and up to three (3) years afterward.

#### D. PROMOTION

The Named Insured shall not use our name in any promotional or advertising activities without obtaining prior written approval from us.

#### E. LEGAL ACTION AGAINST US

No person or organization has any right under this Policy:

1. To join us as a party or otherwise bring us into a suit asking for damages from the **Insured**; or
2. To sue us on this Policy unless all of its terms have been fully complied with.

#### F. Term and Termination of Policy and **Certificates of Insurance**

##### 1. Term of Policy

This Policy shall remain continuously in effect until canceled by the **Policyholder** or by us upon 60 days written notice. Subject to paragraph 2 below, **Certificates of Insurance** in effect at the time of cancellation of



## Contractual Liability Policy

the Policy shall remain in effect until the expiration date of the **Certificate Period** and shall be otherwise governed by this Policy.

### 2. Term of **Certificates of Insurance**

**Certificates of Insurance** shall remain continuously in effect until canceled by the Named Insured or by us upon 30 days written notice. In the event of termination of a **Certificate of Insurance**, we will remain liable for all sums pertaining to unexpired **Debt Waiver Addendums** issued by the **Insured**, during the **Certificate Period**, prior to the effective date of termination. Termination will not relieve the **Insured** of any of its duties or obligations under this Policy.

### G. CHANGES

This policy contains all the agreements between the Named Insured and us concerning the insurance afforded. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this Policy.

### H. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this insurance has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after **Loss** to impair them.

### I. TRANSFER OF THE **INSURED'S** RIGHTS AND DUTIES UNDER THIS POLICY

The **Insured's** rights and duties under this Policy may not be transferred without our written consent.

### J. COMPLIANCE

The **Insured** will be responsible for all registration, application, licensure, payment of fees, providing of all information, filing and any other activity required to obtain and maintain its status as an **Insured** in good standing in each state in which the **Insured** sells **Debt Waiver Addendums**.

### K. TERMS OF POLICY CONFORM TO STATUTE

The terms of this Policy which are in conflict with the statutes of the states wherein **Debt Waiver Addendums** are issued are hereby amended to conform to such statutes. We reserve the right to recalculate the premium for this Policy if this Policy form is found not to be in conformity with the statutes of such states and such changes would have resulted in a different premium at inception of this Policy.



## Contractual Liability Policy

L. BANKRUPTCY

The **Insured's** bankruptcy or insolvency will neither diminish nor increase our obligations under this Policy.

M. POLICY TERRITORY

This policy applies to **Debt Waiver Addendums** which are sold or issued in and subject to the laws of the states, territories and jurisdictions of the United States in which **Debt Waiver Addendums** are sold or issued by the **Insured**.

N. DUTIES IN THE EVENT OF A SUIT

If any arbitration or mediation proceeding, suit or any other judicial, quasi-judicial or administrative proceeding is brought or commenced against the **Insured** in relation to any **Debt Waiver Addendum** covered under this Policy, the **Insured** must see to it that we are notified as soon as practicable of any such action. However, this will in no way be construed as a commitment by us to bear those costs.

O. HEADINGS

The descriptions in the headings of this Policy are solely for convenience and form no part of the terms and conditions of coverage.

IN WITNESS WHEREOF, we have caused this Policy to be executed by our Chairman and Secretary, but this Policy shall not be binding upon us unless completed by the attachment of the **Certificate of Insurance**.

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Secretary

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Chairman



## CONTRACTUAL LIABILITY POLICY

### CERTIFICATE OF INSURANCE

THIS CERTIFICATE PROVIDES EVIDENCE TO THE NAMED INSURED INDICATED BELOW THAT THE POLICY OF INSURANCE LISTED BELOW (the "POLICY") HAS BEEN ISSUED TO THE POLICYHOLDER PROVIDES COVERAGE TO THE INSURED SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICY, A COPY OF WHICH IS ATTACHED HERETO.

**Terms in bold face type have the special meaning. See the definitions sections of this Policy.**

NAMED INSURED AND ADDRESS		POLICYHOLDER
Item 1. DEALER «CusStreetAddress» «CusCityStateZip»  Attn.: «CusContactFullName»		CNA NATIONAL 4150 N. Drinkwater Blvd., Suite 400 Scottsdale, AZ 85251
CUSTOMER NUMBER	INSURER	
«CusNumber»	«PolUWCompany»	
POLICY NUMBER		
«PolNumber»		

Item 2. Policy Term: «PolEffectiveDate»  
12:01 a.m. standard time at the address stated in Item 1. until terminated.

Item 3. **Gap Program Administrator**  
CNA National Warranty Corporation  
4150 N. Drinkwater Blvd., Suite 400  
Scottsdale, AZ 85251

Item 4. Limit of Liability per **Covered Vehicle**:

The Limit of Liability under this policy is the total of all **Loss** for which the **Insured** is legally liable under all covered **Debt Waiver Agreements** sold to all **Borrowers** during the policy period.

Item 5. Endorsements forming a part of this Policy at issuance:

«PolEndoAltNbrsDateName»

Authorized Representative: \_\_\_\_\_

**Guaranteed Auto Protection (GAP)  
Advantage Program  
DEBT WAIVER ADDENDUM**

GPR- \_\_\_\_\_

This Guaranteed Auto Protection (GAP) Debt Waiver Addendum (“Addendum”) amends Your retail installment sales/loan/lease contract (“Finance Contract”).

**Registration Section**

Retail Installment Seller (“Dealer/Creditor”)	Dealer No.	Lender/Lessor/Assignee (“Lender”)	
Borrower (“You” or “Your”)		Street Address	
Street Address		City, State, Zip	
City, State, Zip		Vehicle Model	Sale Mileage
VIN		Vehicle Year	Vehicle Make
MSRP/NADA Retail		Finance Term (in months)	<b>GAP Addendum Purchase Price</b>
Amount Financed/ Capitalized Cost	Residual Value	Monthly Payment	

**ELIGIBILITY LIMITS:** You may purchase this Addendum only at the time the Finance Contract is executed. This Addendum may not be attached to a Finance Contract under which: (a) the financed amount or lease capitalized cost exceeds \$100,000 or 150% of the Manufacturer’s Suggested Retail Price (“MSRP”) for a new vehicle or 150% of the National Automobile Dealers Association (“NADA”) Used Car Guide retail value for a used vehicle, (b) the purchase price or lease capitalized cost or the MSRP for a new vehicle or the NADA retail value for a used vehicle exceeds \$100,000, or (c) the Finance Contract term exceeds 84 months.

**ELECTION:** You have elected to purchase this Addendum for a separately stated charge. Your purchase of this Addendum is strictly voluntary and is not a requirement to obtain credit or favorable credit terms. You may, at Your option, purchase GAP protection from the Lender or another source that is acceptable to the Lender. This Addendum is not automobile insurance, nor does this Addendum fulfill any requirements of any financial responsibility laws. You understand that GAP benefits under this Addendum decrease over the term of the Finance Contract and that some provisions within this Addendum may restrict or limit these benefits. You agree to maintain automobile physical damage and collision coverage through Your Primary Automobile Insurance Company for the full term of this Addendum, as required by the terms of the Finance Contract.

By signing below You acknowledge that You have read and understand the provisions contained in this Addendum including State Provisions on the back and that You are not relying on any other writings or any other representations or promises other than those within this Addendum. If any of the information shown in the registration section is in error, You must contact the GAP Program Administrator immediately. The GAP Program Administrator will make any appropriate changes by endorsement to this Addendum and will immediately forward a copy of the endorsement to You via first-class mail. In the event of a Total Loss, You are responsible for notifying Your Primary Automobile Insurance Company and the GAP Program Administrator. See “How to Submit a Claim” for additional information. By signing below, You accept this contract.

\_\_\_\_\_  
Dealer/Creditor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Borrower

\_\_\_\_\_  
Date

**AGREEMENT:** In consideration of the purchase price paid, Dealer/Creditor agrees that in the event of the Total Loss of the Vehicle, and subject to all of the terms and conditions of this Addendum, Dealer/Creditor will waive Your liability for the difference between the Net Finance Contract Payoff as of the Date of Loss and the actual cash settlement of Your Primary Automobile Insurance Company; Dealer/Creditor will also waive Your Primary Automobile Insurance Company deductible not to exceed \$1,000; and the total amount of Your liability the Dealer/Creditor will waive will not exceed the Maximum Limit of Payments. (See "State Provisions"; restrictions may apply.)

**ASSIGNMENT:** The Dealer/Creditor intends to assign Your installment sales contract to a subsequent Lender. Assignment of Your installment sales contract shall not in any way affect the terms and conditions of this Addendum. This Addendum is void should You transfer the Vehicle to any other party without written approval from the Lender/Lessor and the GAP Program Administrator. If You substitute another vehicle as collateral under Your Finance Contract, You must request written approval from the GAP Program Administrator within 30 days of such substitution, in order to keep this Addendum in force.

**EXCLUSIONS:** This Addendum does not apply to a Total Loss: (1) occurring prior to the effective date of this Addendum; (2) arising out of any dishonest, fraudulent, criminal, or illegal act committed by You or Your agents; (3) arising out of an intentional act by You; (4) to any vehicle used for Commercial Purposes or used for racing or emergency services; (5) to any ineligible vehicle; or (6) due to confiscation or repossession.

**CANCELLATION:** Anytime prior to a Total Loss or the expiration of this Addendum, You may cancel this Addendum by sending written notice to the Dealer/Creditor. The Dealer/Creditor will refund to You the unearned balance of the Addendum purchase price, determined as follows: if the cancellation is effective within the first sixty (60) days, 100% of the purchase price; if the cancellation is effective after the first sixty (60) days, the pro rata unearned portion of the purchase price, or as stipulated by the state. The Lender will be named as a payee on any cancellation refund. In the event of a repossession of the Vehicle by the Lender, any refund amount will be made payable to the Lender as the sole payee. The Lender assumes responsibility for applying any refund to the Finance Contract.

**HOW TO SUBMIT A CLAIM:** In the event of a Total Loss, You must provide the following documents to the GAP Program Administrator within ninety (90) days of the Primary Automobile Insurance Company settlement; or within ninety (90) days of the Date of Loss, if You do not have Primary Automobile Insurance in force on the Date of Loss:

1. A complete copy of Your Primary Automobile Insurance Company policy and settlement statement, including the method for determining the Actual Cash Value of the Vehicle at the Date of Loss.
2. A copy of the original Finance Contract, including the purchase order or buyers agreement.
3. A copy of the accident/theft police report.
4. A statement from the Lender showing the Net Finance Contract Payoff amount as of the Date of Loss.
5. Complete payment history, statements regarding any late payments or any other charges, if any.
6. Other documents that may be reasonably requested of You by the GAP Program Administrator.

If You do not provide requested documents to the GAP Program Administrator within 12 months of receiving the request, Your claim will be closed. You are responsible for requesting and completing all cancellations on all cancelable items. All documents must be sent to the following address: CNA National, Attn: GAP Program Administrator, 4150 N. Drinkwater Blvd., Suite 400, Scottsdale, Arizona 85251. Phone: 800-345-0191.

**MISREPRESENTATION AND FRAUD:** In issuing this Addendum and processing claims, the Dealer/Creditor and GAP Program Administrator are relying on the truth of all representations made by You. If You (1) attempt

or commit fraud relevant to this coverage, (2) present false or misleading information, or (3) fail to disclose material facts regarding the Vehicle, the Finance Contract, this Addendum or in submitting a claim; the Dealer/Creditor and/or GAP Program Administrator will not pay for any claim and may terminate this Addendum.

**TERMINATION:** This Addendum automatically terminates without notice on the earliest date that any of the following occurs: (1) the term of this Addendum expires; (2) the original termination date of Your Finance Contract is reached; (3) eighty-four (84) months after the purchase date of this Addendum is reached; (4) You prepay the entire balance of Your Finance Contract (You must send written notice to the Dealer/Creditor to request any refund that may be due to You); (5) You refinance Your Finance Contract, or You substitute another vehicle for the Vehicle and do not request written approval from the GAP Program Administrator; or (6) a Total Loss occurs. In the event of a Total Loss, the Addendum purchase price is deemed fully earned and no refund is due You.

**DEFINITIONS:** The following words and phrases have special meaning and are used throughout this Addendum:

1. **"Actual Cash Value":** The retail value of the Vehicle as determined by the Primary Automobile Insurance Company. If Your primary automobile insurance policy does not cover the full market value of the Vehicle (due to stated limits, accessory limits, or other limitations or adjustments), the GAP Program Administrator will adjust the Actual Cash Value to reflect these uninsured/under-insured amounts. If You do not have primary automobile insurance in force on the Date of Loss, the GAP Program Administrator will determine the Actual Cash Value of the Vehicle using NADA or other nationally accepted automobile value guides.
2. **"Commercial Purposes":** Any vehicle used to carry goods or passengers for compensation. This includes, but is not limited to, vehicles used as taxis, or for livery or delivery services where compensation is provided for those services. Vehicles used as a car-pool or share-the-ride vehicle are not considered to be used for Commercial Purposes.
3. **"Date of Loss":** The date on which the Vehicle was stolen or involved in an accident, resulting in it being deemed a Total Loss.
4. **"Equal Monthly Installment Method":** The calculation of equal monthly installments beginning no more than forty-five (45) days from the purchase date of the Vehicle and amortized over the term of the Finance Contract.
5. **"Finance Contract":** The retail installment sales/loan/lease contract under which the Vehicle is held as collateral and to which this Addendum attaches.
6. **"Maximum Limit of Payment":** The maximum of Your liability the Dealer/Creditor will waive for any one claim shall be the *lesser* of: (a) the difference between the Net Finance Contract Payoff and the settlement of Your Primary Automobile Insurance Company or (b) \$50,000 in total. In the event more than one vehicle is held as collateral under the Finance Contract, the Vehicle shall bear a proportionate share of the total Net Finance Contract Payoff (in proportion to the amortized amount originally borrowed directly related to Your purchase of the Vehicle).
7. **"Net Finance Contract Payoff":** The amount owed by You to the Lender under the Finance Contract as of the Date of Loss, *less*: (1) unearned finance charges; (2) unearned insurance premiums; (3) late charges; (4) any delinquent payments; (5) refundable taxes or fees; (6) amounts due You from items which were included in the Finance Contract (e.g., credit insurance, service contracts or pre-paid maintenance agreements); and (7) the amount of Your Primary Automobile Insurance deductible over \$1,000. (See "State Provisions"; restrictions may apply.) Any deferred payment programs/agreements will be converted to the Equal Monthly Installment Method. If the amount financed or lease capitalized cost exceeds the Eligibility Limits, the GAP Program Administrator will adjust the payoff of the Finance Contract to reflect these limits.

8. **“Primary Automobile Insurance Company”:** Your insurance company that provides insurance for collision damage and comprehensive loss to the Vehicle, as required in the Finance Contract.
9. **“Total Loss”:** The Vehicle is deemed a Total Loss, during the term of this Addendum, by Your Primary Automobile Insurance Company due to collision or comprehensive loss because the cost to repair or replace Your Vehicle exceeds the Actual Cash Value. If You do not have Primary Automobile Insurance in force on the Date of Loss: (1) you must supply the GAP Program Administrator with documentation from an independent adjusting/appraisal company, acceptable to the GAP Program Administrator, evidencing that the total cost to repair the Vehicle is greater than the Actual Cash Value of the Vehicle on the Date of Loss; and (2) in the event the Vehicle is stolen and is not recovered within thirty (30) days from the date the police report is filed, the GAP Program Administrator will establish the Actual Cash

Value of the Vehicle using NADA or other nationally accepted automobile value guides.

10. **“Vehicle”:** The vehicle described in the Registration Section of this Addendum that is held as collateral under the Finance Agreement. The Vehicle may only be used for personal use, may not exceed a one-ton rating or a Gross Vehicle Weight of 11,500 pounds, must be primarily garaged and used in the United States or Canada, and must not be used for Commercial Purposes. A vehicle having a salvage or branded title is ineligible. A vehicle older than ten (10) model years from the date of purchase is ineligible. Vehicles equipped with special-usage equipment, accessories, or body components (e.g., lifting or hoisting equipment, high cube or box body or any other special equipment) are ineligible. Any vehicle not listed in the NADA Used Car Guide, as well as van conversions not made or not approved by the manufacturer, are ineligible.

#### STATE PROVISIONS:

**Arkansas:** You are responsible for Your Primary Automobile Insurance Company deductible.

**Colorado:** The purchase of GAP is completely voluntary and optional and is not required in order to obtain the credit or any particular or favorable credit term. You have the right to consult an insurance agent to determine whether similar coverage may be obtained and at what cost. GAP benefits may decrease over the term of the consumer credit sale or consumer loan. You may cancel GAP for any and no reason within thirty (30) days after GAP was purchased and receive a full refund of the GAP fee so long as no loss or event covered by GAP has

**occurred. GAP is not a substitute for collision or property damage insurance. The Primary Automobile Insurance Company deductible is limited to \$500.**

**Tennessee:** EXCLUSIONS, Sections 2 and 3 are deleted.

**Wisconsin:** AGREEMENT is amended to add: This contract is between the borrower/debtor/lessee and the lender/seller/lessor or, if assigned, with the assignee. TERMINATION is amended to add: This contract will terminate upon the expiration of any redemption period following the repossession or surrender of the vehicle.

**Guaranteed Auto Protection (GAP)  
Preferred Program  
DEBT WAIVER ADDENDUM**

GPRP- \_\_\_\_\_

This Guaranteed Auto Protection (GAP) Debt Waiver Addendum (“Addendum”) amends Your retail installment sales/loan/lease contract (“Finance Contract”).

**Registration Section**

Retail Installment Seller (“Dealer/Creditor”) _____ Dealer No. _____	Lender/Lessor/Assignee (“Lender”) _____
Borrower (“You” or “Your”) _____	Street Address _____
Street Address _____	City, State, Zip _____
City, State, Zip _____	Vehicle Model _____ Sale Mileage _____
VIN _____	Vehicle Year _____ Vehicle Make _____
MSRP/NADA Retail _____	Finance Term (in months) _____ <b>GAP Addendum Purchase Price</b> _____
Amount Financed/ Capitalized Cost _____ Residual Value _____	Monthly Payment _____

**ELIGIBILITY LIMITS:** You may purchase this Addendum only at the time the Finance Contract is executed. This Addendum may not be attached to a Finance Contract under which: (a) the financed amount or lease capitalized cost exceeds \$100,000 or 150% of the Manufacturer’s Suggested Retail Price (“MSRP”) for a new vehicle or 150% of the National Automobile Dealers Association (“NADA”) Used Car Guide retail value for a used vehicle, (b) the purchase price or lease capitalized cost or the MSRP for a new vehicle or the NADA retail value for a used vehicle exceeds \$100,000, or (c) the Finance Contract term exceeds 84 months.

**ELECTION:** You have elected to purchase this Addendum for a separately stated charge. Your purchase of this Addendum is strictly voluntary and is not a requirement to obtain credit or favorable credit terms. You may, at Your option, purchase GAP protection from the Lender or another source that is acceptable to the Lender. This Addendum is not automobile insurance, nor does this Addendum fulfill any requirements of any financial responsibility laws. You understand that GAP benefits under this Addendum decrease over the term of the Finance Contract and that some provisions within this Addendum may restrict or limit these benefits. You agree to maintain automobile physical damage and collision coverage through Your Primary Automobile Insurance Company for the full term of this Addendum, as required by the terms of the Finance Contract.

In the event of a Total Loss to the Vehicle, the Dealer/Creditor agrees to provide You with a \$1,000 discount allowance (credit) toward Your replacement vehicle purchase or lease. You must return to the Dealer/Creditor to purchase/finance a replacement vehicle within sixty (60) days after Your Primary Automobile Insurance Company settlement. This offer automatically expires after sixty (60) days without notice and is redeemable only at the Dealer/Creditor. There is no cash value.

By signing below You acknowledge that You have read and understand the provisions contained in this Addendum including State Provisions on the back and that You are not relying on any other writings or any other representations or promises other than those within this Addendum. If any of the information shown in the registration section is in error, You must contact the GAP Program Administrator immediately. The GAP Program Administrator will make any appropriate changes by endorsement to this Addendum and will immediately forward a copy of the endorsement to You via first-class mail. In the event of a Total Loss, You are responsible for notifying Your Primary Automobile Insurance Company and the GAP Program Administrator. See “How to Submit a Claim” for additional information. By signing below, You accept this contract.

\_\_\_\_\_  
Dealer/Creditor \_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_  
Borrower \_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_  
Co-Borrower \_\_\_\_\_ Date \_\_\_\_\_

**AGREEMENT:** In consideration of the purchase price paid, Dealer/Creditor agrees that in the event of the Total Loss of the Vehicle, and subject to all of the terms and conditions of this Addendum, Dealer/Creditor will waive Your liability for the difference between the Net Finance Contract Payoff as of the Date of Loss and the actual cash settlement of Your Primary Automobile Insurance Company; Dealer/Creditor will also waive Your Primary Automobile Insurance Company deductible not to exceed \$1,000; and the total amount of Your liability the Dealer/Creditor will waive will not exceed the Maximum Limit of Payments. (See "State Provisions"; restrictions may apply.)

**ASSIGNMENT:** The Dealer/Creditor intends to assign Your installment sales contract to a subsequent Lender. Assignment of Your installment sales contract shall not in any way affect the terms and conditions of this Addendum. This Addendum is void should You transfer the Vehicle to any other party without written approval from the Lender/Lessor and the GAP Program Administrator. If You substitute another vehicle as collateral under Your Finance Contract, You must request written approval from the GAP Program Administrator within 30 days of such substitution, in order to keep this Addendum in force.

**EXCLUSIONS:** This Addendum does not apply to a Total Loss: (1) occurring prior to the effective date of this Addendum; (2) arising out of any dishonest, fraudulent, criminal, or illegal act committed by You or Your agents; (3) arising out of an intentional act by You; (4) to any vehicle used for Commercial Purposes or used for racing or emergency services; (5) to any ineligible vehicle; or (6) due to confiscation or repossession.

**CANCELLATION:** Anytime prior to a Total Loss or the expiration of this Addendum, You may cancel this Addendum by sending written notice to the Dealer/Creditor. The Dealer/Creditor will refund to You the unearned balance of the Addendum purchase price, determined as follows: if the cancellation is effective within the first sixty (60) days, 100% of the purchase price; if the cancellation is effective after the first sixty (60) days, the pro rata unearned portion of the purchase price, or as stipulated by the state. The Lender will be named as a payee on any cancellation refund. In the event of a repossession of the Vehicle by the Lender, any refund amount will be made payable to the Lender as the sole payee. The Lender assumes responsibility for applying any refund to the Finance Contract.

**HOW TO SUBMIT A CLAIM:** In the event of a Total Loss, You must provide the following documents to the GAP Program Administrator within ninety (90) days of the Primary Automobile Insurance Company settlement; or within ninety (90) days of the Date of Loss, if You do not have Primary Automobile Insurance in force on the Date of Loss:

1. A complete copy of Your Primary Automobile Insurance Company policy and settlement statement, including the method for determining the Actual Cash Value of the Vehicle at the Date of Loss.
2. A copy of the original Finance Contract, including the purchase order or buyers agreement.
3. A copy of the accident/theft police report.
4. A statement from the Lender showing the Net Finance Contract Payoff amount as of the Date of Loss.
5. Complete payment history, statements regarding any late payments or any other charges, if any.
6. Other documents that may be reasonably requested of You by the GAP Program Administrator.

If You do not provide requested documents to the GAP Program Administrator within 12 months of receiving the request, Your claim will be closed. You are responsible for requesting and completing all cancellations on all cancelable items. All documents must be sent to the following address: CNA National, Attn: GAP Program Administrator, 4150 N. Drinkwater Blvd., Suite 400, Scottsdale, Arizona 85251. Phone: 800-345-0191.

**MISREPRESENTATION AND FRAUD:** In issuing this Addendum and processing claims, the Dealer/Creditor and GAP Program Administrator are relying on the truth of all representations made by You. If You (1) attempt

or commit fraud relevant to this coverage, (2) present false or misleading information, or (3) fail to disclose material facts regarding the Vehicle, the Finance Contract, this Addendum or in submitting a claim; the Dealer/Creditor and/or GAP Program Administrator will not pay for any claim and may terminate this Addendum.

**TERMINATION:** This Addendum automatically terminates without notice on the earliest date that any of the following occurs: (1) the term of this Addendum expires; (2) the original termination date of Your Finance Contract is reached; (3) eighty-four (84) months after the purchase date of this Addendum is reached; (4) You prepay the entire balance of Your Finance Contract (You must send written notice to the Dealer/Creditor to request any refund that may be due to You); (5) You refinance Your Finance Contract, or You substitute another vehicle for the Vehicle and do not request written approval from the GAP Program Administrator; or (6) a Total Loss occurs. In the event of a Total Loss, the Addendum purchase price is deemed fully earned and no refund is due You.

**DEFINITIONS:** The following words and phrases have special meaning and are used throughout this Addendum:

1. **"Actual Cash Value":** The retail value of the Vehicle as determined by the Primary Automobile Insurance Company. If Your primary automobile insurance policy does not cover the full market value of the Vehicle (due to stated limits, accessory limits, or other limitations or adjustments), the GAP Program Administrator will adjust the Actual Cash Value to reflect these uninsured/under-insured amounts. If You do not have primary automobile insurance in force on the Date of Loss, the GAP Program Administrator will determine the Actual Cash Value of the Vehicle using NADA or other nationally accepted automobile value guides.
2. **"Commercial Purposes":** Any vehicle used to carry goods or passengers for compensation. This includes, but is not limited to, vehicles used as taxis, or for livery or delivery services where compensation is provided for those services. Vehicles used as a car-pool or share-the-ride vehicle are not considered to be used for Commercial Purposes.
3. **"Date of Loss":** The date on which the Vehicle was stolen or involved in an accident, resulting in it being deemed a Total Loss.
4. **"Equal Monthly Installment Method":** The calculation of equal monthly installments beginning no more than forty-five (45) days from the purchase date of the Vehicle and amortized over the term of the Finance Contract.
5. **"Finance Contract":** The retail installment sales/loan/lease contract under which the Vehicle is held as collateral and to which this Addendum attaches.
6. **"Maximum Limit of Payment":** The maximum of Your liability the Dealer/Creditor will waive for any one claim shall be the *lesser* of: (a) the difference between the Net Finance Contract Payoff and the settlement of Your Primary Automobile Insurance Company or (b) \$50,000 in total. In the event more than one vehicle is held as collateral under the Finance Contract, the Vehicle shall bear a proportionate share of the total Net Finance Contract Payoff (in proportion to the amortized amount originally borrowed directly related to Your purchase of the Vehicle).
7. **"Net Finance Contract Payoff":** The amount owed by You to the Lender under the Finance Contract as of the Date of Loss, *less*: (1) unearned finance charges; (2) unearned insurance premiums; (3) late charges; (4) any delinquent payments; (5) refundable taxes or fees; (6) amounts due You from items which were included in the Finance Contract (e.g., credit insurance, service contracts or pre-paid maintenance agreements); and (7) the amount of Your Primary Automobile Insurance deductible over \$1,000. (See "State Provisions"; restrictions may apply.) Any deferred payment programs/agreements will be converted to the Equal Monthly Installment Method. If the amount financed or lease capitalized cost exceeds the Eligibility Limits, the GAP Program Administrator will adjust the payoff of the Finance Contract to reflect these limits.

8. **“Primary Automobile Insurance Company”:** Your insurance company that provides insurance for collision damage and comprehensive loss to the Vehicle, as required in the Finance Contract.
9. **“Total Loss”:** The Vehicle is deemed a Total Loss, during the term of this Addendum, by Your Primary Automobile Insurance Company due to collision or comprehensive loss because the cost to repair or replace Your Vehicle exceeds the Actual Cash Value. If You do not have Primary Automobile Insurance in force on the Date of Loss: (1) you must supply the GAP Program Administrator with documentation from an independent adjusting/appraisal company, acceptable to the GAP Program Administrator, evidencing that the total cost to repair the Vehicle is greater than the Actual Cash Value of the Vehicle on the Date of Loss; and (2) in the event the Vehicle is stolen and is not recovered within thirty (30) days from the date the police report is filed, the GAP Program Administrator will establish the Actual Cash

Value of the Vehicle using NADA or other nationally accepted automobile value guides.

10. **“Vehicle”:** The vehicle described in the Registration Section of this Addendum that is held as collateral under the Finance Agreement. The Vehicle may only be used for personal use, may not exceed a one-ton rating or a Gross Vehicle Weight of 11,500 pounds, must be primarily garaged and used in the United States or Canada, and must not be used for Commercial Purposes. A vehicle having a salvage or branded title is ineligible. A vehicle older than ten (10) model years from the date of purchase is ineligible. Vehicles equipped with special-usage equipment, accessories, or body components (e.g., lifting or hoisting equipment, high cube or box body or any other special equipment) are ineligible. Any vehicle not listed in the NADA Used Car Guide, as well as van conversions not made or not approved by the manufacturer, are ineligible.

#### STATE PROVISIONS:

**Arkansas:** You are responsible for Your Primary Automobile Insurance Company deductible.

**Colorado:** The purchase of GAP is completely voluntary and optional and is not required in order to obtain the credit or any particular or favorable credit term. You have the right to consult an insurance agent to determine whether similar coverage may be obtained and at what cost. GAP benefits may decrease over the term of the consumer credit sale or consumer loan. You may cancel GAP for any and no reason within thirty (30) days after GAP was purchased and receive a full

**refund of the GAP fee so long as no loss or event covered by GAP has occurred. GAP is not a substitute for collision or property damage insurance. The Primary Automobile Insurance Company deductible is limited to \$500.**

**Tennessee:** “EXCLUSIONS” (2) and (3) are deleted.

**Washington:** This coverage is provided by Continental Casualty Company, 333 Wabash, Ave., Chicago, IL 60604.



**Guaranteed Auto Protection (GAP)  
Advantage Program  
DEBT WAIVER ADDENDUM**

GPR- \_\_\_\_\_

This Guaranteed Auto Protection (GAP) Debt Waiver Addendum (“Addendum”) amends Your retail installment sales/loan/lease contract (“Finance Contract”).

**Registration Section**

Retail Installment Seller (“Dealer/Creditor”) _____ Dealer No. _____	Lender/Lessor/Assignee (“Lender”) _____
Borrower (“You” or “Your”) _____	Street Address _____
Street Address _____	City, State, Zip _____
City, State, Zip _____	Vehicle Model _____ Sale Mileage _____
VIN _____	Vehicle Year _____ Vehicle Make _____
MSRP/NADA Retail _____	Finance Term (in months) _____ <b>GAP Addendum Purchase Price</b> _____
Amount Financed/ Capitalized Cost _____ Residual Value _____	Monthly Payment _____
Purchase _____ Lease _____	Alternate Financing _____

**ELIGIBILITY LIMITS:** You may purchase this Addendum only at the time the Finance Contract is executed. This Addendum may not be attached to a Finance Contract under which: (a) the financed amount or lease capitalized cost exceeds \$100,000 or 150% of the Manufacturer’s Suggested Retail Price (“MSRP”) for a new vehicle or 150% of the National Automobile Dealers Association (“NADA”) Used Car Guide retail value for a used vehicle, (b) the purchase price or lease capitalized cost or the MSRP for a new vehicle or the NADA retail value for a used vehicle exceeds \$100,000, or (c) the Finance Contract term exceeds 84 months.

**ELECTION:** You have elected to purchase this Addendum for a separately stated charge. Your purchase of this Addendum is strictly voluntary and is not a requirement to obtain credit or favorable credit terms. You may, at Your option, purchase GAP protection from the Lender or another source that is acceptable to the Lender. This Addendum is not automobile insurance, nor does this Addendum fulfill any requirements of any financial responsibility laws. You understand that GAP benefits under this Addendum decrease over the term of the Finance Contract and that some provisions within this Addendum may restrict or limit these benefits. You agree to maintain automobile physical damage and collision coverage through Your Primary Automobile Insurance Company for the full term of this Addendum, as required by the terms of the Finance Contract.

**INDIANA RESIDENTS:** For additional information, please refer to the Department of Financial Institutions, 30 S. Meridian Street, Suite 300, Indianapolis, IN 46204. Phone: 800-382-4880.

By signing below You acknowledge that You have read and understand the provisions contained in this Addendum including State Provisions on the back and that You are not relying on any other writings or any other representations or promises other than those within this Addendum. If any of the information shown in the registration section is in error, You must contact the GAP Program Administrator immediately. The GAP Program Administrator will make any appropriate changes by endorsement to this Addendum and will immediately forward a copy of the endorsement to You via first-class mail. In the event of a Total Loss, You are responsible for notifying Your Primary Automobile Insurance Company and the GAP Program Administrator. See “How to Submit a Claim” for additional information. By signing below, You accept this contract.

\_\_\_\_\_  
Dealer/Creditor \_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_  
Borrower \_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_  
Co-Borrower \_\_\_\_\_ Date \_\_\_\_\_

The GAP Program Administrator is CNA National Warranty Corporation, 4150 N. Drinkwater Blvd., Suite 400, Scottsdale, Arizona 85251, 800-345-0191.

**AGREEMENT:** In consideration of the purchase price paid, Dealer/Creditor agrees that in the event of the Total Loss of the Vehicle, and subject to all of the terms and conditions of this Addendum, Dealer/Creditor will waive Your liability for the difference between the Net Finance Contract Payoff as of the Date of Loss and the actual cash settlement of Your Primary Automobile Insurance Company; Dealer/Creditor will also waive Your Primary Automobile Insurance Company deductible not to exceed \$1,000; and the total amount of Your liability the Dealer/Creditor will waive will not exceed the Maximum Limit of Payments. (See "State Provisions"; restrictions may apply.)

**ASSIGNMENT:** The Dealer/Creditor intends to assign Your installment sales contract to a subsequent Lender. Assignment of Your installment sales contract shall not in any way affect the terms and conditions of this Addendum. This Addendum is void should You transfer the Vehicle to any other party without written approval from the Lender/Lessor and the GAP Program Administrator. If You substitute another vehicle as collateral under Your Finance Contract, You must request written approval from the GAP Program Administrator within 30 days of such substitution, in order to keep this Addendum in force.

**EXCLUSIONS:** This Addendum does not apply to a Total Loss: (1) occurring prior to the effective date of this Addendum; (2) arising out of any dishonest, fraudulent, criminal, or illegal act committed by You or Your agents; (3) arising out of an intentional act by You; (4) to any vehicle used for Commercial Purposes or used for racing or emergency services; (5) to any ineligible vehicle; or (6) due to confiscation or repossession.

**CANCELLATION:** Anytime prior to a Total Loss or the expiration of this Addendum, You may cancel this Addendum by sending written notice to the Dealer/Creditor. The Dealer/Creditor will refund to You the unearned balance of the Addendum purchase price, determined as follows: if the cancellation is effective within the first sixty (60) days, 100% of the purchase price; if the cancellation is effective after the first sixty (60) days, the pro rata unearned portion of the purchase price, or as stipulated by the state. The Lender will be named as a payee on any cancellation refund. In the event of a repossession of the Vehicle by the Lender, any refund amount will be made payable to the Lender as the sole payee. The Lender assumes responsibility for applying any refund to the Finance Contract.

**HOW TO SUBMIT A CLAIM:** In the event of a Total Loss, You must provide the following documents to the GAP Program Administrator within ninety (90) days of the Primary Automobile Insurance Company settlement; or within ninety (90) days of the Date of Loss, if You do not have Primary Automobile Insurance in force on the Date of Loss:

1. A complete copy of Your Primary Automobile Insurance Company policy and settlement statement, including the method for determining the Actual Cash Value of the Vehicle at the Date of Loss.
2. A copy of the original Finance Contract, including the purchase order or buyers agreement.
3. A copy of the accident/theft police report.
4. A statement from the Lender showing the Net Finance Contract Payoff amount as of the Date of Loss.
5. Complete payment history, statements regarding any late payments or any other charges, if any.
6. Other documents that may be reasonably requested of You by the GAP Program Administrator.

If You do not provide requested documents to the GAP Program Administrator within 12 months of receiving the request, Your claim will be closed. You are responsible for requesting and completing all cancellations on all cancelable items. All documents must be sent to the following address: CNA National, Attn: GAP Program Administrator, 4150 N. Drinkwater Blvd., Suite 400, Scottsdale, Arizona 85251. Phone: 800-345-0191.

**MISREPRESENTATION AND FRAUD:** In issuing this Addendum and processing claims, the Dealer/Creditor and GAP Program Administrator are relying on the truth of all representations made by You. If You (1) attempt

or commit fraud relevant to this coverage, (2) present false or misleading information, or (3) fail to disclose material facts regarding the Vehicle, the Finance Contract, this Addendum or in submitting a claim; the Dealer/Creditor and/or GAP Program Administrator will not pay for any claim and may terminate this Addendum.

**TERMINATION:** This Addendum automatically terminates without notice on the earliest date that any of the following occurs: (1) the term of this Addendum expires; (2) the original termination date of Your Finance Contract is reached; (3) eighty-four (84) months after the purchase date of this Addendum is reached; (4) You prepay the entire balance of Your Finance Contract (You must send written notice to the Dealer/Creditor to request any refund that may be due to You); (5) You refinance Your Finance Contract, or You substitute another vehicle for the Vehicle and do not request written approval from the GAP Program Administrator; or (6) a Total Loss occurs. In the event of a Total Loss, the Addendum purchase price is deemed fully earned and no refund is due You.

**DEFINITIONS:** The following words and phrases have special meaning and are used throughout this Addendum:

1. **"Actual Cash Value":** The retail value of the Vehicle as determined by the Primary Automobile Insurance Company. If You do not have primary automobile insurance in force on the Date of Loss, the GAP Program Administrator will determine the Actual Cash Value of the Vehicle using NADA or other nationally accepted automobile value guides.
2. **"Commercial Purposes":** Any vehicle used to carry goods or passengers for compensation. This includes, but is not limited to, vehicles used as taxis, or for livery or delivery services where compensation is provided for those services. Vehicles used as a car-pool or share-the-ride vehicle are not considered to be used for Commercial Purposes.
3. **"Date of Loss":** The date on which the Vehicle was stolen or involved in an accident, resulting in it being deemed a Total Loss.
4. **"Equal Monthly Installment Method":** The calculation of equal monthly installments beginning no more than forty-five (45) days from the purchase date of the Vehicle and amortized over the term of the Finance Contract.
5. **"Finance Contract":** The retail installment sales/loan/lease contract under which the Vehicle is held as collateral and to which this Addendum attaches.
6. **"Maximum Limit of Payment":** The maximum of Your liability the Dealer/Creditor will waive for any one claim shall be the *lesser* of: (a) the difference between the Net Finance Contract Payoff and the settlement of Your Primary Automobile Insurance Company or (b) \$50,000 in total. In the event more than one vehicle is held as collateral under the Finance Contract, the Vehicle shall bear a proportionate share of the total Net Finance Contract Payoff (in proportion to the amortized amount originally borrowed directly related to Your purchase of the Vehicle).
7. **"Net Finance Contract Payoff":** The amount owed by You to the Lender under the Finance Contract as of the Date of Loss, *less*: (1) unearned finance charges; (2) unearned insurance premiums; (3) late charges; (4) any delinquent payments; (5) refundable taxes or fees; (6) amounts due You from items which were included in the Finance Contract (e.g., credit insurance, service contracts or pre-paid maintenance agreements); and (7) the amount of Your Primary Automobile Insurance deductible over \$1,000. (See "State Provisions"; restrictions may apply.) Any deferred payment programs/agreements will be converted to the Equal Monthly Installment Method. If the amount financed or lease capitalized cost exceeds the Eligibility Limits, the GAP Program Administrator will adjust the payoff of the Finance Contract to reflect these limits.
8. **"Primary Automobile Insurance Company":** Your insurance company that provides insurance for collision damage and comprehensive loss to the Vehicle, as required in the Finance Contract.
9. **"Total Loss":** The Vehicle is deemed a Total Loss, during the term of this Addendum, by Your Primary Automobile Insurance Company due

to collision or comprehensive loss because the cost to repair or replace Your Vehicle exceeds the Actual Cash Value. If You do not have Primary Automobile Insurance in force on the Date of Loss: (1) you must supply the GAP Program Administrator with documentation from an independent adjusting/appraisal company, acceptable to the GAP Program Administrator, evidencing that the total cost to repair the Vehicle is greater than the Actual Cash Value of the Vehicle on the Date of Loss; and (2) in the event the Vehicle is stolen and is not recovered within thirty (30) days from the date the police report is filed, the GAP Program Administrator will establish the Actual Cash Value of the Vehicle using NADA or other nationally accepted automobile value guides.

10. **“Vehicle”:** The vehicle described in the Registration Section of this Addendum that is held as collateral under the Finance Agreement. The Vehicle may only be used for personal use, may not exceed a one-ton rating or a Gross Vehicle Weight of 11,500 pounds, must be primarily garaged and used in the United States or Canada, and must not be used for Commercial Purposes. A vehicle having a salvage or branded title is ineligible. A vehicle older than ten (10) model years from the date of purchase is ineligible. Vehicles equipped with special-use equipment, accessories, or body components (e.g., lifting or hoisting equipment, high cube or box body or any other special equipment) are ineligible. Any vehicle not listed in the NADA Used Car Guide, as well as van conversions not made or not approved by the manufacturer, are ineligible.

#### **STATE PROVISIONS:**

**Indiana:** This GAP Program shall not be sold in instances where the amount financed, less the cost of the GAP, the cost of credit insurance, and the cost of warranties, is less than 80% of the MSRP for a new vehicle or the NADA average retail value for a used vehicle. You may be able to obtain GAP coverage from your primary insurance carrier.

*SERFF Tracking Number:* CNAC-125301538      *State:* Arkansas  
*Filing Company:* Continental Casualty Company      *State Tracking Number:* AR-PC-07-026190  
*Company Tracking Number:* 07-2160F  
*TOI:* 17.0 Other Liability - Claims Made/Occurrence      *Sub-TOI:* 17.0022 Other  
*Product Name:* Contractual Liability Policy  
*Project Name/Number:* /07-2160

## **Rate Information**

Rate data does NOT apply to filing.

SERFF Tracking Number: CNAC-125301538 State: Arkansas  
Filing Company: Continental Casualty Company State Tracking Number: AR-PC-07-026190  
Company Tracking Number: 07-2160F  
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0022 Other  
Product Name: Contractual Liability Policy  
Project Name/Number: /07-2160

## Supporting Document Schedules

**Satisfied -Name:** Uniform Transmittal Document-  
Property & Casualty **Review Status:** Approved 10/02/2007

**Comments:**

**Attachments:**

07-2160F AR Transmittal.pdf

07-2160 FFS.pdf

**Satisfied -Name:** Cover Letter **Review Status:** Approved 10/02/2007

**Comments:**

**Attachment:**

07-2160FR AR Cover Letter.pdf

**Satisfied -Name:** Memo **Review Status:** Approved 10/02/2007

**Comments:**

**Attachment:**

07-2160 Contractual Liability Filing FFM 9-19-07.pdf



**Property & Casualty Transmittal Document—**

<b>20. This filing transmittal is part of Company Tracking #</b>	07-2160F
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<b>21. Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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On behalf of Continental Casualty Company, we hereby submit for your review and approval the attached forms for use with our Contractual Liability Program. Please see the attached Forms Filing Memorandum for a listing of all forms contained in the filing.

<b>22. Filing Fees</b> (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
---

**Check #:** 0000204009  
**Amount:** \$50.00

**Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.**

**\*\*\*Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

**FORM FILING SCHEDULE**

(This form must be provided ONLY when making a filing that includes forms)  
 (Do **not** refer to the body of the filing for the forms listing, unless allowed by state.)

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>		<b>07-2160F</b>		
<b>2.</b>	<b>This filing corresponds to rate/rule filing number</b> (Company tracking number of rate/rule filing, if applicable)		<b>07-2160R</b>		
<b>3.</b>	<b>Form Name /Description/Synopsis</b>	<b>Form # Include edition date</b>	<b>Replacement or Withdrawn?</b>	<b>If replacement, give form # it replaces</b>	<b>Previous state filing number, if required by state</b>
01	Contractual Liability Policy	GSL2388 (ed. 8/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02	Certificate of Insurance	GSL2389 (ed. 6/07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03	Guaranteed Auto Protection (GAP) Advantage Program Debt Waiver Addendum	6921 (ed. 11/06)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04	Guaranteed Auto Protection (GAP) Preferred Program Debt Waiver Addendum	6922 (ed. 12/06)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05	Guaranteed Auto Protection (GAP) Advantage Program Debt Waiver Addendum	6923 (ed. 11/06)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		



40 Wall Street – 9<sup>th</sup> Floor  
New York, New York 10005

**Mr. Micaah Morris**

Regulatory Filings Technician  
P & C State Filing Unit  
CNA Global Specialty Line

September 24, 2007

Telephone 212-440-2319  
Facsimile 212-440-2877  
Toll Free 877-269-3277 x2319  
Internet micaah.morris@cna.com

ARKANSAS INSURANCE DEPARTMENT  
PROPERTY & CASUALTY DIVISION  
1200 W 3RD ST  
LITTLE ROCK AR 72201-1904

RE: CONTINENTAL CASUALTY COMPANY NAIC# 218-20443 FEIN# 36-2114545  
**Contractual Liability Policy**  
**Forms and Rate Filing**  
**OUR FILE NO. : 07-2160FR**

To Whom It May Concern:

On behalf of Continental Casualty Company, we hereby submit for your review and approval the attached forms and rates for use with our Contractual Liability Program. Please see the attached Forms Filing Memorandum for further details regarding this filing and a listing of all new forms contained in the filing.

Enclosed for your review please find:

- Forms Filing Memorandum;
- A copy of the new forms for your review and approval
- Explanatory Memorandum;
- Exhibit index and rate exhibits

Please be advised the rates used with this program are already on file with your department under our filing number: GLP-00-03R

We propose that this filing become effective for all policies, effective November 1, 2007 or the earliest date permitted by your state.

Very truly yours,

*Micaah Morris*

Micaah Morris  
Regulatory Filings Technician

**Continental Casualty Company  
Contractual Liability Policy  
Filing ID # 07-2160  
Forms Filing Memorandum**

**COUNTRYWIDE**

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**Contractual Liability Coverage**

The Contractual Liability Policy (CLIP) provides coverage for dealers who subscribe to CNA National's Guarantee Asset Protection ("GAP") Program. The CLIP assumes all of the dealers' contractual obligations under the GAP debt waiver addendums ("GAP Addendum/Addenda") issued by the dealer to consumers in connection with the CNA National's GAP program. GAP Addenda provide first-party financial guarantees to consumers who purchase or lease a vehicle. In the event of a constructive total loss to their vehicle, GAP Addenda will waive the difference between the consumer's outstanding balance owed on the loan/lease at the time of loss and the consumer's primary insurance company's insurance settlement. On any specific valuation date, the GAP value is defined as the positive dollar amount, if any, of (a) the outstanding loan/lease balance, less (b) the primary insurance company's settlement, plus the consumer's physical damage deductible. In addition to the financial guarantees (GAP Advantage Program), other ancillary benefits (GAP Preferred Program) may also be provided. The contingency events covered are unrecovered thefts or "total losses" during the term of a loan/lease. GAP Advantage and GAP Preferred coverages may be written on new, near-new or used vehicles. The maximum term of coverage is equivalent to the term of the vehicle loan.

The sources of this business are direct automobile and motorcycle dealers. The owner and beneficiary of this waiver is the vehicle owner/lessee. The vehicle owner is responsible for the unpaid loan/lease balance over the term of the agreement. In those instances in which the vehicle has incurred a constructive total loss and the unpaid loan/lease balance exceeds the insurance company's settlement amount, the vehicle owner is responsible for this difference.

GAP Preferred is composed of GAP Advantage coverage and certain ancillary benefits. These ancillary benefits may include up to a maximum of two (2) loan/lease payments in arrears at the time of settlement of a GAP claim, reimbursement of the consumer's auto physical damage deductible under the insured's insurance policy and an allowance towards the purchase of a replacement vehicle.

**FORMS**

<b>GSL2388</b>	<b>ed. 8/07</b>	<b>Contractual Liability Policy</b>
<b>GSL2389</b>	<b>ed. 6/07</b>	<b>Certificate of Insurance</b>
<b>6921</b>	<b>ed. 11/06</b>	<b>Guaranteed Auto Protection (GAP) Advantage Program Debt Waiver Addendum</b>
<b>6922</b>	<b>ed. 12/06</b>	<b>Guaranteed Auto Protection (GAP) Preferred Program Debt Waiver Addendum</b>
<b>6923</b>	<b>ed. 11/06</b>	<b>Guaranteed Auto Protection (GAP) Advantage Program Debt Waiver Addendum</b>