

SERFF Tracking Number: YTYC-125668740 State: Arkansas
 Filing Company: Deerfield Insurance Company State Tracking Number: EFT \$50
 Company Tracking Number: CLIP GAP F 0608
 TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0004 Contractual Liability
 Product Name: Contractual Liability - Guaranteed Auto Protection (GAP)
 Project Name/Number: CLIP GAP (DIF/Markel) 08/kathy

Filing at a Glance

Company: Deerfield Insurance Company

Product Name: Contractual Liability -
 Guaranteed Auto Protection (GAP)

TOI: 17.0 Other Liability - Claims
 Made/Occurrence

Sub-TOI: 17.0004 Contractual Liability

Filing Type: Form

Effective Date Requested (New): On Approval

Effective Date Requested (Renewal): On Approval

State Filing Description:

SERFF Tr Num: YTYC-125668740 State: Arkansas

SERFF Status: Closed

State Tr Num: EFT \$50

Co Tr Num: CLIP GAP F 0608

State Status: Fees verified and
 received

Co Status: (6)Submitted & E-mail
 Sent to Client

Reviewer(s): Betty Montesi,
 Llyweyia Rawlins

Author: Kathleen Lohmann

Disposition Date: 06/30/2008

Date Submitted: 06/23/2008

Disposition Status: Approved

Effective Date (New): 06/30/2008

Effective Date (Renewal):
 06/30/2008

General Information

Project Name: CLIP GAP (DIF/Markel) 08

Project Number: kathy

Reference Organization:

Reference Title:

Filing Status Changed: 06/30/2008

State Status Changed: 06/30/2008

Corresponding Filing Tracking Number: YTYC-001015450 rate drawer
 filing - (exempt)

Filing Description:

We are submitting the captioned on behalf of Deerfield Insurance Company, for your review and approval. This is a new filing and does not replace any filing previously submitted.

Status of Filing in Domicile: Pending

Domicile Status Comments: State of Domicile -
 Illinois

Reference Number:

Advisory Org. Circular:

Deemer Date:

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There are four policies specifically designed for individual lenders. Each lender has certain language requirements to accommodate.

A 'generic' state changes endorsement form GAP 03 00 AR will be used in association with policies GAP 01 01, GAP 01 02 and GAP 01 04, to bring them into compliance with Arkansas statutes. State changes endorsement GAP 03 03 AR will be used in connection with policy GAP 01 03 specifically to comply with Arkansas statutes.

The Additional Loss Benefit Endorsement is optional.

This program is designed to protect the interest of the lender in collateral used to secure a loan. In consideration for the payment by the lender the company agrees to cover any payable loss sustained by the lender during the policy period.

Unless otherwise advised by your department, we may find it necessary to vary the layout of the insurance information in the declarations/supplemental declarations subsequent to your department's formal filing. These changes may become necessary in order to accommodate the data processing system.

Company and Contact

Filing Contact Information

(This filing was made by a third party - yeartoyearconsultingllc)
Kathleen Lohmann, Assistant Manager kathy@y2yc.com
1580 N. Point Prairie Road (636) 639-1880 [Phone]
Foristell, MO 63348 (636) 639-1233[FAX]

Filing Company Information

Deerfield Insurance Company CoCode: 37184 State of Domicile: Illinois
Ten Parkway North Group Code: 785 Company Type: Property &
Casualty
Deerfield, IL 60015 Group Name: State ID Number:
(847) 572-6000 ext. [Phone] FEIN Number: 42-6052413

Filing Fees

SERFF Tracking Number: YTYC-125668740 State: Arkansas
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Fee Required? Yes
Fee Amount: \$50.00
Retaliatory? No
Fee Explanation: form filings no limit on # of forms = \$50.00
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Deerfield Insurance Company	\$50.00	06/23/2008	21050452

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	06/30/2008	06/30/2008

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Disposition

Disposition Date: 06/30/2008

Effective Date (New): 06/30/2008

Effective Date (Renewal): 06/30/2008

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	Filing authorization letter	Approved	Yes
Form	Policy	Approved	Yes
Form	Policy	Approved	Yes
Form	Policy	Approved	Yes
Form	Policy	Approved	Yes
Form	Arkansas State Changes Endorsement	Approved	Yes
Form	Arkansas State Changes Endorsement	Approved	Yes
Form	Additional Loss Benefit Endorsement	Approved	Yes

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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Policy	GAP 01 01	04/08	Policy/CoveNew rage Form			GAP 01 01 (04-2008) MSU Deerfield AUTO CLIP 30 nonrefund.p df
Approved	Policy	GAP 01 02	04/08	Policy/CoveNew rage Form			GAP 01 02 (04-2008) MSU Deerfield AUTO CLIP Ford.pdf
Approved	Policy	GAP 01 03	04/08	Policy/CoveNew rage Form			GAP 01 03 (04-2008) MSU Deerfield AUTO CLIP GMAC.pdf
Approved	Policy	GAP 01 04	04/08	Policy/CoveNew rage Form			GAP 01 04 (04-2008) MSU Deerfield AUTO CLIP Toyota.pdf
Approved	Arkansas State Changes Endorsement	GAP 03 00	04/08	Endorseme New nt/Amendm ent/Condi tions			GAP 03 00 AR (04- 2008) State Changes End.pdf
Approved	Arkansas State Changes	GAP 03 03	04/08	Endorseme New nt/Amendm			GAP 03 03 AR (04-

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	Endorsement			ent/Condi ons	2008) State Changes End(GMAC). pdf
Approved	Additional Loss Benefit Endorsement	GAP 04 00	04/08	Endorseme New nt/Amendm ent/Condi ons	GAP 04 00 (04-2008) Additional Loss Benefit End.pdf



DEERFIELD INSURANCE COMPANY

(A Stock Company)
Ten Parkway North
Deerfield, IL 60015
[1-847-572-6000]

GUARANTEED AUTO PROTECTION (GAP) INSURANCE DECLARATIONS

Policy Number:

Named Insured "Lender":

Mailing Address:

City State Zip Code Country

Policy Period FROM: TO: Term:

At 12:01 A.M. Standard Time at the address of the Named Insured as stated herein.

Refer to Table of Rates and Parameters on the SUPPLEMENTAL DECLARATIONS

Collateral	[Private Passenger Automobiles]
Dollar Limit – MSRP	[\$100,000]
Primary Carrier Deductible Limit	[\$1,000]
Maximum Benefit	[\$50,000]

GAP Addendum Form
Number(s): _____

Premium: The "Lender" shall pay to the "Company" a premium for each covered collateral, according to the terms stated in this policy, and at the rates shown in the Supplemental Declarations.

Premium Reporting and Payment Terms: [15 days after the end of each month]

Countersigned (If Required by Law):

This _____ Day of _____, _____

Authorized Agent



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GUARANTEED AUTO PROTECTION (GAP) INSURANCE POLICY

SUPPLEMENTAL DECLARATIONS

SCHEDULE OF RATES AND PARAMETERS

Effective Date:

Policy Number:

Named Insured "Lender":

Maximum Loan APR: [Twenty Four Percent (24.0%)]

Maximum Term Limit: [84 months]

Franchised Dealer Rates:

Loan To Value Ratio	Loan Term		
	[0 - 60] Months	[61-72] Months	[73-84] Months
Up to [150%]	\$ _____	\$ _____	\$ _____

Additional Benefits and Costs

Past Due Payments	<input type="checkbox"/> Not Covered	<input type="checkbox"/> Covered; not to Exceed <u>[60]</u> Days	\$ INCLUDED
Additional Loss Benefit	<input type="checkbox"/> Not Covered	<input type="checkbox"/> Covered; not to Exceed \$ _____ per loss	\$ _____

THIS SUPPLEMENTAL DECLARATIONS AND THE DECLARATIONS, TOGETHER WITH THE POLICY CONDITIONS, COVERAGE FORM(S) AND ENDORSEMENT(S) COMPLETE THE ABOVE NUMBERED POLICY.



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GUARANTEED AUTO PROTECTION (GAP) INSURANCE POLICY

SECTION I. INSURING AGREEMENT

In consideration for the payment by the "Lender" to the "Company" of the Premium specified in the Supplemental Declarations page, and in reliance upon the representations made by the "Lender", the "Company" agrees to cover any "Payable Loss" sustained by the "Lender" during the Policy Period as specified in the Declarations page for any loss against which coverage is afforded hereunder. Coverage provided by the "Company" for any "Payable Loss" shall be subject to the Maximum Benefit, Exclusions, Conditions and other terms of this policy.

SECTION II. POLICY COVERAGE

A. PHYSICAL DAMAGE COVERAGE

The "Company" shall insure the "Lender" for financial loss resulting from direct physical loss of or damage to "Collateral", except as excluded herein.

B. PREMIUM

The "Lender" shall pay the "Company" the Premium set forth in the Supplemental Declarations page.

C. LIMIT OF LIABILITY

- 1) Subject to the provisions of this policy, the "Company's" maximum limit of liability as respects all loss or damage arising from any "Payable Loss" shall not exceed the Maximum Benefit as shown on the Declarations page.
- 2) Any Addendum issued for an amount financed in excess of the Maximum Benefit will be deemed eligible for enrollment; however, coverage under this policy will be limited to the Maximum Benefit as shown on the Declarations page.
- 3) Any Addendum issued where the loan to value ratio exceeds the percentage specified in the Supplemental Declarations page will be deemed eligible for enrollment; however, the "Payable Loss" will be reduced to the equivalent amount as if the loan to value ratio was in compliance with the percentage specified in the Supplemental Declarations page as of the inception date of the "Finance Contract."

D. CONDITIONS PRECEDENT TO COVERAGE

Conditions precedent to the attaching of the "Company" coverage limits for any loss of, or damage to, "Collateral" are:

- 1) "Collateral" has sustained a "Constructive Total Loss"; and
- 2) "Collateral" has been reported as stipulated in the Premium Reporting and Payment Terms on the Declarations page, unless loss occurs prior to the [15th] of the month following the month in which coverage begins.

SECTION III. EXCLUSIONS

This policy does not provide coverage for loss:

- A. Occurring prior to the effective date of this policy.
- B. Resulting from "Finance Contracts" with inception dates outside the effective date of this policy.
- C. Due to confiscation of the "Covered Vehicle" by a government body or public official.
- D. Caused by theft, unless the "Customer/Borrower" or the "Lender" files a police report.
- E. Resulting from the "Covered Vehicle" being operated, used, or maintained in any race, speed contest, or other contest.
- F. To a "Covered Vehicle" held as security under any wholesale, floor plan, field warehouse, or any type of financing made to a dealership or its employees.



DEERFIELD INSURANCE COMPANY

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- G. To the "Covered Vehicle", while used for a "Commercial Purpose".
- H. Occurring after a "Covered Vehicle" has been repossessed by the "Lender" or placed in the "Lender's" possession or in possession of the "Lender's" employees or agents.
- I. To a "Covered Vehicle" with a "Financing Contract" in which the Manufacturer's Suggested Retail Price (MSRP) or NADA or other national/regional valuation guide retail value is more than the MSRP Limit described on the Declarations page at the inception date of the "Financing Contract".
- J. Where the "Financing Contract" has an annual percentage rate (A.P.R.) in excess of the Maximum Loan APR or where the finance term exceeds the Maximum Term Limit as stated in the Supplemental Declarations page.
- K. For any amounts deducted from the "Primary Carrier" settlement due to wear and tear, prior damage, unpaid insurance premiums, and towing and storage.
- L. To the following vehicles which are excluded from coverage: Daewoo, Bentley, Lamborghini, Lotus, Maserrati, Ferrari, Rolls Royce, Yugo, Aston Martin, "Recreational Vehicles" (RVs), boats, all-terrain vehicles (ATVs), snowmobiles, jet skis, "Motorcycles", trailers, and "Commercial Vehicles".
- M. Attributable to other than the standard or optional equipment available from the manufacturer of the "Covered Vehicle", including but not limited to: special carpeting, furniture, bars, audio, video, or data equipment, cooking and sleeping facilities, customized paint, or any equipment installed to overcome a physical handicap. Factory approved conversion packages and dealer installed options usually included in used care value guidebooks are not excluded.
- N. To a "Covered Vehicle" with a salvage or rebuilt title at the time of sale or for which title has been changed or re-issued as salvage or rebuilt prior to the "Date of Loss".
- O. Resulting directly or indirectly from any dishonest, fraudulent, criminal, or illegal act or arising from an intentional act committed by the "Customer/Borrower"; any employee or agent of the "Lender"; or any dealer from whom the "Customer/Borrower" may acquire the "Financing Contract."
- P. From a "Financing Contract" that does not have uniform monthly repayment terms for the full period of the financing agreement and/or for a loan that is self-financed.
- Q. To any vehicle financed under a lease agreement/contract.
- R. Due to war, whether or not declared, invasion, civil war, insurrection, rebellion, or revolution.

SECTION IV. CONDITIONS

A. POLICY PERIOD

This policy shall, subject to the "Company's" right to cancel, be effective for the term shown on the Declarations page and will only cover losses that occur during the original "Financing Contract" term of "Collateral".

B. POLICY TERRITORY

This policy applies only to losses to "Collateral" sustained while "Collateral" is within the United States of America, its territories or possessions, Canada, or is being transported between parts thereof.

C. FINANCING CONTRACT TERM

Coverage under this policy will not apply on any "Collateral" with a "Financing Contract" term exceeding the Term Limit described on the Supplemental Declarations page of this policy.

D. AUTOMATIC TERMINATION OF ADDENDUM COVERAGE UNDER THIS POLICY

Addendum Coverage under this policy shall automatically and without prior notice terminate concurrently with termination of a "Financing Contract" or sale of "Collateral".



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(A Stock Company)
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Deerfield, IL 60015
[1-847-572-6000]

E. FINANCING CONTRACT CANCELLATION

If a request for cancellation is not made within [thirty (30)] days of the inception date, or if a request for benefits is made for the "Collateral", then the GAP Addendum charge is fully earned and non-refundable. If the "Financing Contract" for "Collateral" is cancelled within the first [thirty (30)] days, no loss having occurred, the return premium will be 100% of the premium charge. However, in the event of a loss for a "Covered Vehicle" under this policy, there will be no return premium.

F. NO BENEFIT TO BAILEE

The coverage provided by this policy shall not apply directly or indirectly to the benefit of any bailee liable for loss to "Collateral".

G. PREMIUM REMITTANCE REPORT

The Premium Remittance Report shall be prepared and sent to the "Company" by the "Lender" according to the Premium Reporting and Payment Terms described on the Declarations page.

H. CLAIM FOR LOSS

All claims for loss shall be reported to the "Company" within [sixty (60)] days of receiving settlement from the "Primary Carrier", or within [sixty (60)] days of repossession, whichever is later. No payment for loss will be made by the "Company" if said claim is not reported within these stated time periods.

I. CLAIMS SETTLEMENT

For each loss, the "Lender" must submit to the "Company" a completed Notice of Loss provided by the "Company" and supporting documentation as reasonably requested by the "Company".

J. PAYMENT FOR LOSS

The "Company" shall submit payment of any undisputed claim amount within thirty (30) days of receipt of a completed Notice of Loss and all supporting documentation.

K. SUBROGATION

For any loss payments made under this policy, the "Company" shall be subrogated to all of the "Lender's" right of recovery against any person or entity. The "Lender" is entitled to complete reimbursement for its loss to "Collateral" before the "Company" is entitled to subrogation proceeds. If the "Lender" has taken any action, either intentionally or by error or omission, to prejudice the "Company's" rights, the "Lender" agrees to reimburse the "Company" all sums paid on such claim(s) immediately upon the "Company's" request. The "Company" waives its rights of subrogation against the "Customer/Borrower" with respect to any claim paid under this policy unless:

- 1) Such claim originated through the willful action, knowledge or intent of the "Customer/Borrower"; or
- 2) The "Customer/Borrower" effected separate settlement or released any party or organization responsible for the loss other than settlement with the "Primary Carrier".

L. CANCELLATION

The "Lender" may cancel this policy by giving written notice to the "Company" stating that not less than [thirty (30)] days thereafter; such cancellation shall be effective.

This policy may be cancelled by the "Company" mailing to the "Lender", at the addresses shown on the Declarations page, written notice stating that not less than [thirty (30)] days thereafter, such cancellations shall be effective.

The mailing of such notice shall be sufficient proof of notice. Delivery of such notice by either the "Lender" or the "Company" shall be the equivalent of mailing.

In the event of cancellation of this policy, coverage is extended to apply to the "Financing Contract" made and "Collateral" insured by this policy during the policy period, until the earlier of the natural expiration of the "Financing Contract" or any other event as provided for in the Conditions section, "Automatic Termination of Addendum Coverage Under this Policy" paragraph of this policy.

M. TERMS OF POLICY CONFORM TO STATUTE

Terms of this policy which are in conflict with the statutes of the state wherein this policy is issued are hereby amended to conform to such statutes.



DEERFIELD INSURANCE COMPANY

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N. FRAUD AND MISREPRESENTATION

This policy is issued in reliance upon the truth of all representations made by the "Lender". This policy shall be void if the "Lender" has concealed or misrepresented any material fact(s), or circumstance(s) concerning this insurance or the subject thereof, or in the case of fraud, attempted fraud, or the false swearing by the "Lender" touching any matter relating to this insurance or the subject thereof, whether before or after loss.

O. COOPERATION AND ASSISTANCE

In the event of a loss, the "Lender" must cooperate with and assist the "Company" by executing and delivering the "Financing Contract", delivering documentation and papers, and doing whatever else is necessary that is reasonable within the "Lender's" ability, for the "Company" to settle the claim.

P. APPRAISAL

If the "Lender" and the "Company" disagree on the value of the "Payable Loss", either may make written demand for an appraisal. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the "Payable Loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally. If there is an appraisal, the "Company" will still retain its right to deny the claim.

Q. SUITS AGAINST US

No suit, action, or proceeding for recovery of any claim under this policy shall be sustainable in any court or equity unless it is commenced within [twelve (12) months] after discovery by the "Lender" of the occurrence which gives rise to the claim. However, if the laws of the state within which this policy is issued such limitation is invalid, then such claim(s) shall be void unless such action, suit, or proceeding is commenced within the shortest permitted time within the laws of such state.

R. INSPECTION OF INSURED'S RECORDS

The "Company" may, at any time during business hours, inspect the records of the "Lender" to determine the amount of premium due, claims to be paid, and compliance with the terms of this policy.

S. COVERAGE FOR SUCCESSOR INTEREST

Coverage will apply to successors of interest of the "Lender" named in the Declarations page of this policy only after those successors have agreed in writing, on a form provided by the "Company", to assume all rights, duties, and obligations stated in this policy.

T. MITIGATION OF LOSS

The "Lender" should do all things reasonable, practical, and professional to avoid or reduce any loss covered under this policy and to protect the "Covered Vehicle" from any further loss. The "Lender" should also take reasonable measures to ensure that the maximum amount of "Actual Cash Value" of a "Covered Vehicle" is paid by the "Primary Carrier". This includes, at a minimum, verifying the accuracy of the "Actual Cash Value" with one of the following sources: Blue Book, NADA, or Red Book.

SECTION V. DEFINITIONS

Actual Cash Value (ACV) – The retail value of the "Covered Vehicle" on the "Date of Loss", as listed in a national or regional guide, such as National Automobile Dealers Association (NADA) or an equivalent national or regional guide for the territory in which the "Covered Vehicle" is principally garaged. For a "Covered Vehicle" which has no retail value available, or is located in territories where NADA or an equivalent national or regional guide is not customarily used, ACV will be determined using the best information available to the "Company", or which the "Company" reasonably believes accurately reflects the retail value of the "Covered Vehicle" and is customarily used as the basis for establishing ACV for the "Covered Vehicle" in the territory of the "Covered Vehicle" location.

Customer/Borrower - The natural person(s) named in the "Financing Contract" receiving a "Financing Contract" from the "Lender".

Collateral – The vehicle(s) described in the "Financing Contract".



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Commercial Vehicle - Any vehicle in excess of [10,000 lbs] (GVW), and/or used for "**Commercial Purpose**", including but not limited to: transportation of persons or property for hire, compensation, profit, or in the furtherance of a commercial enterprise, including but not limited to the following: a) a business name is displayed on the vehicle; or b) the primary insurance for the vehicle is a Business Auto Policy or Commercial Vehicle Policy. Trailers, special commercial usage optional equipment, accessories, and body components are excluded from coverage. Share-the-expense carpools are not considered a commercial purpose.

Commercial Purpose – Use of a vehicle as a taxicab, public omnibus, jitney or sightseeing conveyance, or for carrying goods or passengers for compensation or hire or vehicle exceeds [10,000 lbs] (GVW) on the "**Date of Loss**".

Company - The insurance company named on the Declarations page.

Covered Vehicle – "**Collateral**" comprised of any four-wheel private passenger automobile, van, or light truck, as described in the "**Financing Contract**", utilized for personal purposes.

Constructive Total Loss – A direct and accidental loss of or damage of the "**Covered Vehicle**", which meets one of these criteria: 1.) the total cost to repair the "**Covered Vehicle**" is greater than the "**Actual Cash Value**" of the "**Covered Vehicle**" on the "**Date of Loss**"; or 2.) the "**Covered Vehicle**" is stolen and is not recovered within 30 days from the date a police report was filed, and the "**Customer/Borrower's**" "**Primary Carrier**" declares the "**Covered Vehicle**" a total loss.

Date of Loss - The date on which the "**Covered Vehicle**" is reported stolen or incurs physical damage that is severe enough to constitute a "**Constructive Total Loss**".

Financing Contract -The contract which represents the financing agreement between the "**Lender**" and the "**Customer/Borrower**" for the purchase of the "**Covered Vehicle**", and which sets forth the terms, conditions, inception date, and expiration date of the financing agreement.

Lender -The entity named on the Declarations page.

Motorcycle - Any motor-propelled vehicle, other than a tractor or a motorized bicycle, designated for use on public roads and subject to motor vehicles registration, which is equipped with a saddle for the use of the rider and designed to be operated with not more than three wheels in contact with the ground, except that four wheels may be in contact with the ground when two of the wheels are a functional part of a sidecar, and weighing less than 1,500 pounds. This definition specifically includes all vehicles commonly known as "motorcycles", "motor-driven cycles", and "motor scooters."

Net Payoff – The amount of the "**Lenders**" interest as of the "**Date of Loss**", as represented by the portion of the "**Customer/Borrower's**" unpaid balance according to the original payment schedule of the "**Financing Contract**" that is secured by "**Collateral**", subject to the limitations. The amount does not include any unearned finance charges or loan/financing charges; payments as described in a "**Financing Contract**" that is more than sixty (60) days past due; late charges; uncollected service finance charges; refundable prepaid taxes and fees; disposition fees; termination fees; penalty fees; the recoverable portion of finance service charges or the recoverable portion of financed amounts for unearned insurance premiums or refundable charges (including, but not limited to credit life, vehicle service coverages/warranties and guaranteed automobile protection charges) that are owed by the "**Customer/Borrower**" on the "**Date of Loss**"; and amounts that are added to the loan/financing balance after the inception date of the "**Financing Contract**".

Payable Loss - The difference between the "**Net Payoff**" and the "**Primary Carrier**" settlement. The "**Payable Loss**" will not exceed the Maximum Benefit as shown on the Declarations page. "**Payable Loss**" includes the amount of the physical damage deductible on the "**Primary Carrier**" policy up to \$1,000. If settlement by the "**Primary Carrier**" or the "**Actual Cash Value**" is greater than or equal to the outstanding balance, no payment will be made under this policy. In the event that there is no "**Primary Carrier**" coverage in effect on the "**Date of Loss**", or if the "**Primary Carrier**" is declared insolvent, or if the "**Lender**" does not receive the proceeds from the "**Primary Carrier**" policy, the "**Company**" will only pay the difference between the "**Net Payoff**" and 90% of "**Actual Cash Value**" of the "**Covered Vehicle**" on the "**Date of Loss**". If there is no "**Primary Carrier**", the "**Covered Vehicle**" must have been inspected by the GAP Administrator to determine if the "**Covered Vehicle**" is a "**Constructive Total Loss**".

Primary Carrier – The insurance company selected by the "**Customer/Borrower**" prior to the "**Date of Loss**" that underwrites a policy of insurance providing physical damage coverage on the "**Covered Vehicle**" and/or that provides liability coverage to any person who has



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[1-847-572-6000]

caused the "Covered Vehicle" to incur a "Constructive Total Loss".

Recreational Vehicle (RV) -A unit, with or without motive power, which is designated for human occupancy, used temporarily for recreation or emergency purposes; including motor homes, travel trailers (including "park model" travel trailers), tent trailers, fifth wheels, camperized vans, and truck mounted campers that are designed to be used primarily for accommodation during travel or recreation. "Recreational Vehicles" include:

- 1) Camping Trailer - a vehicle unit mounted on wheels and constructed with collapsible partial side walls which fold when the unit is towed by another vehicle and unfold at the campsite to provide temporary living quarters for recreational, camping or travel use, and has a floor area of less than 220 square feet, excluding built-in equipment such as wardrobes, closets, cabinets, kitchen units or fixtures, and bath or toilet rooms;
- 2) Motor Home - a vehicle unit built on or permanently attached to a self-propelled motor vehicle chassis or on a chassis cab or van which is an internal part of the complete vehicle, and has a floor area of less than 200 square feet, excluding built-in equipment such as wardrobes, closets, cabinets, kitchen units or fixtures, and bath or toilet rooms;
- 3) Camperized Van - a vehicle with slide-out pantry with coffee maker above it; closet with microwave or microwave/convection oven above it; toilet; flip-up sink; shower; two burner stove with fridge below it; sink; TV with video player;
- 4) Park Trailer - a vehicle built on a single chassis, mounted on wheels, designed to provide seasonal or temporary living quarters which may be connected to utilities for operation or installed or temporary living quarters which may be connected to utilities for operation of installed fixtures and appliances, of such a construction as to permit set-up by persons without special skills using only hand tools which may include lifting, pulling and supporting devices and a gross trailer area not exceeding 400 square feet when in the set-up mode;
- 5) Travel Trailer - a vehicular unit which has a roof, floor and sides and is mounted on wheels but which is not of such size or weight as to require special highway movement permits when towed by a motorized vehicle, and has a floor area of less than 220 square feet, excluding built-in equipment such as wardrobes, closets, cabinets, kitchen units or fixtures, and bath or toilet rooms;
- 6) Truck Camper - a portable unit which has a roof, floor and sides and is designed to be loaded on and off the bed of truck, and has a floor area of less than 220 square feet, excluding built-in equipment such as wardrobes, closets, cabinets, kitchen units or fixtures, and bath or toilet rooms; and
- 7) Tent Trailer - a unit towed by a vehicle with a trailer hitch. Sleeps four to nine people, includes a portable stove, and a portable dinette table, water storage, and propane tank. No kitchen units, fixtures, or toilets.

By acceptance of this policy, the "Lender" agrees that the statements contained on the Declarations page are its agreements and representations and acknowledges that this policy is issued in reliance upon the truth of such representations. This policy, together with any written contracts or representations in connection therewith, contains all agreements existing between the "Lender" and the "Company" or any agents relating to this insurance.

This policy is made and accepted subject to all conditions and agreements in this policy together with other provisions, agreements or conditions which may be endorsed hereon or added hereto.

IN WITNESS WHEREOF, _____ has caused this policy to be executed by the signatures below.

Secretary

President



DEERFIELD INSURANCE COMPANY

(A Stock Company)
Ten Parkway North
Deerfield IL, 60015
[1-847-572-6000]

GUARANTEED AUTO PROTECTION (GAP) INSURANCE DECLARATIONS

Policy Number:

Named Insured "Lender":

Mailing Address:

City State Zip Code Country

Policy Period FROM: TO: Term:

At 12:01 A.M. Standard Time at the address of the Named Insured as stated herein.

Refer to Table of Rates and Parameters on the SUPPLEMENTAL DECLARATIONS

Collateral	[Private Passenger Automobiles]
Dollar Limit – MSRP	[\$100,000]
Primary Carrier Deductible Limit	[\$1,000]
Maximum Benefit	[\$50,000]

GAP Addendum Form
Number(s): _____

Premium: The "Lender" shall pay to the "Company" a premium for each covered collateral, according to the terms stated in this policy, and at the rates shown in the Supplemental Declarations.

Premium Reporting and Payment Terms: [15 days after the end of each month]

Countersigned (If Required by Law):

This _____ Day of _____, _____

Authorized Agent



DEERFIELD INSURANCE COMPANY

(A Stock Company)
Ten Parkway North
Deerfield IL, 60015
[1-847-572-6000]

GUARANTEED AUTO PROTECTION (GAP) INSURANCE POLICY

SUPPLEMENTAL DECLARATIONS

SCHEDULE OF RATES AND PARAMETERS

Effective Date:

Policy Number:

Named Insured "Lender":

Maximum Loan APR: [Twenty Four Percent (24.0%)]

Maximum Term Limit: [84 months]

Franchised Dealer Rates:

Loan To Value Ratio	Loan Term		
	[0 - 60] Months	[61-72] Months	[73-84] Months
Up to [150%]	\$ _____	\$ _____	\$ _____

Additional Benefits and Costs

Past Due Payments	<input type="checkbox"/> Not Covered	<input type="checkbox"/> Covered; not to Exceed <u>[60]</u> Days	\$ INCLUDED
Additional Loss Benefit	<input type="checkbox"/> Not Covered	<input type="checkbox"/> Covered; not to Exceed \$ _____ per loss	\$ _____

THIS SUPPLEMENTAL DECLARATIONS AND THE DECLARATIONS, TOGETHER WITH THE POLICY CONDITIONS, COVERAGE FORM(S) AND ENDORSEMENT(S) COMPLETE THE ABOVE NUMBERED POLICY.



DEERFIELD INSURANCE COMPANY

(A Stock Company)
Ten Parkway North
Deerfield IL, 60015
[1-847-572-6000]

GUARANTEED AUTO PROTECTION (GAP) INSURANCE POLICY

SECTION I. INSURING AGREEMENT

In consideration for the payment by the "Lender" to the "Company" of the Premium specified in the Supplemental Declarations page, and in reliance upon the representations made by the "Lender", the "Company" agrees to cover any "Payable Loss" sustained by the "Lender" during the Policy Period as specified in the Declarations page for any loss against which coverage is afforded hereunder. Coverage provided by the "Company" for any "Payable Loss" shall be subject to the Maximum Benefit, Exclusions, Conditions and other terms of this policy.

SECTION II. POLICY COVERAGE

A. PHYSICAL DAMAGE COVERAGE

The "Company" shall insure the "Lender" for financial loss resulting from direct physical loss of or damage to "Collateral", except as excluded herein.

B. PREMIUM

The "Lender" shall pay the "Company" the Premium set forth in the Supplemental Declarations page.

C. LIMIT OF LIABILITY

- 1) Subject to the provisions of this policy, the "Company's" maximum limit of liability as respects all loss or damage arising from any "Payable Loss" shall not exceed the Maximum Benefit as shown on the Declarations page.
- 2) Any Addendum issued for an amount financed in excess of the Maximum Benefit will be deemed eligible for enrollment; however, coverage under this policy will be limited to the Maximum Benefit as shown on the Declarations page.
- 3) Any Addendum issued where the loan to value ratio exceeds the percentage specified in the Supplemental Declarations page will be deemed eligible for enrollment; however, the "Payable Loss" will be reduced to the equivalent amount as if the loan to value ratio was in compliance with the percentage specified in the Supplemental Declarations page as of the inception date of the "Loan/Lease Contract."

D. CONDITIONS PRECEDENT TO COVERAGE

Conditions precedent to the attaching of the "Company" coverage limits for any loss of, or damage to, "Collateral" are:

- 1) "Collateral" has sustained a "Constructive Total Loss"; and
- 2) "Collateral" has been reported as stipulated in the Premium Reporting and Payment Terms on the Declarations page, unless loss occurs prior to the [15th] of the month following the month in which coverage begins.

SECTION III. EXCLUSIONS

This policy does not provide coverage for loss:

- A. Occurring prior to the effective date of this policy.
- B. Resulting from "Loan/Lease Contracts" with inception dates outside the effective date of this policy.
- C. Due to confiscation of the "Covered Vehicle" by a government body or public official.
- D. Caused by theft, unless the "Customer/Borrower" or the "Lender" files a police report.
- E. Resulting from the "Covered Vehicle" being operated, used, or maintained in any race, speed contest, or other contest.
- F. To a "Covered Vehicle" held as security under any wholesale, floor plan, field warehouse, or any type of financing made to a dealership or its employees.



DEERFIELD INSURANCE COMPANY

(A Stock Company)
Ten Parkway North
Deerfield IL, 60015
[1-847-572-6000]

- G. To the "Covered Vehicle", while used for a "Commercial Purpose".
- H. Occurring after a "Covered Vehicle" has been repossessed by the "Lender" or placed in the "Lender's" possession or in possession of the "Lender's" employees or agents.
- I. To a "Covered Vehicle" with a "Loan/Lease Contract" in which the Manufacturer's Suggested Retail Price (MSRP) or NADA or other national/regional valuation guide retail value is more than the MSRP Limit described on the Declarations page at the inception date of the "Loan/Lease Contract".
- J. Where the "Loan/Lease Contract" has an annual percentage rate (A.P.R.) in excess of the Maximum Loan APR or where the financing term exceeds the Maximum Term Limit as stated in the Supplemental Declarations page.
- K. For any amounts deducted from the "Primary Carrier" settlement due to wear and tear, prior damage, unpaid insurance premiums, and towing and storage.
- L. To the following vehicles which are excluded from coverage: Daewoo, Bentley, Lamborghini, Lotus, Maserrati, Ferrari, Rolls Royce, Yugo, Aston Martin, "Recreational Vehicles" (RVs), boats, all-terrain vehicles (ATVs), snowmobiles, jet skis, "Motorcycles", trailers, and "Commercial Vehicles".
- M. Attributable to other than the standard or optional equipment available from the manufacturer of the "Covered Vehicle", including but not limited to: special carpeting, furniture, bars, audio, video, or data equipment, cooking and sleeping facilities, customized paint, or any equipment installed to overcome a physical handicap. Factory approved conversion packages and dealer installed options usually included in used care value guidebooks are not excluded.
- N. To a "Covered Vehicle" with a salvage or rebuilt title at the time of sale or for which title has been changed or re-issued as salvage or rebuilt prior to the "Date of Loss".
- O. Resulting directly or indirectly from any dishonest, fraudulent, criminal, or illegal act or arising from an intentional act committed by the "Customer/Borrower"; any employee or agent of the "Lender"; or any dealer from whom the "Customer/Borrower" may acquire the "Loan/Lease Contract."
- P. From a "Loan/Lease Contract" that does not have uniform monthly repayment terms for the full period of the financing agreement and/or for a loan/lease that is self-financed.
- Q. [To any vehicle financed under a lease agreement/contract.]

SECTION IV. CONDITIONS

A. POLICY PERIOD

This policy shall, subject to the "Company's" right to cancel, be effective for the term shown on the Declarations page and will only cover losses that occur during the original "Loan/Lease Contract" term of "Collateral".

B. POLICY TERRITORY

This policy applies only to losses to "Collateral" sustained while "Collateral" is within the United States of America, its territories or possessions, Canada, or is being transported between parts thereof.

C. LOAN/LEASE CONTRACT TERM

Coverage under this policy will not apply on any "Collateral" with a "Loan/Lease Contract" term exceeding the Term Limit described on the Supplemental Declarations page of this policy.

D. AUTOMATIC TERMINATION OF ADDENDUM COVERAGE UNDER THIS POLICY

Addendum Coverage under this policy shall automatically and without prior notice terminate concurrently with termination of a "Loan/Lease Contract" or sale of "Collateral".



DEERFIELD INSURANCE COMPANY

(A Stock Company)
Ten Parkway North
Deerfield IL, 60015
[1-847-572-6000]

E. LOAN/LEASE CONTRACT CANCELLATION

For all "Loan/Lease Contracts" for "Collateral" that permit cancellation, when the "Loan/Lease Contract" is cancelled prior to its maturity date, the "Company" shall refund the premium for that "Loan/Lease Contract" according to the Rule of 78's, a common method prescribed by law for calculating refunds on loans. If the "Loan/Lease Contract" for "Collateral" is cancelled within the first [thirty (30)] days, no loss having occurred, the return premium will be 100% of the premium charge. However, in the event of a loss for a "Covered Vehicle" under this policy, there will be no return premium.

F. NO BENEFIT TO BAILEE

The coverage provided by this policy shall not apply directly or indirectly to the benefit of any bailee liable for loss to "Collateral".

G. PREMIUM REMITTANCE REPORT

The Premium Remittance Report shall be prepared and sent to the "Company" by the "Lender" according to the Premium Reporting and Payment Terms described on the Declarations Page.

H. CLAIM FOR LOSS

All claims for loss shall be reported to the "Company" within [sixty (60)] days of receiving settlement from the "Primary Carrier", or within [sixty (60)] days of repossession, whichever is later. No payment for loss will be made by the "Company" if said claim is not reported within these stated time periods.

I. CLAIMS SETTLEMENT

For each loss, the "Lender" must submit to the "Company" a completed Notice of Loss provided by the "Company" and supporting documentation as reasonably requested by the "Company".

J. PAYMENT FOR LOSS

The "Company" shall submit payment of any undisputed claim amount within thirty (30) days of receipt of a completed Notice of Loss and all supporting documentation.

K. SUBROGATION

For any loss payments made under this policy, the "Company" shall be subrogated to all of the "Lender's" right of recovery against any person or entity. The "Lender" is entitled to complete reimbursement for its loss to "Collateral" before the "Company" is entitled to subrogation proceeds. If the "Lender" has taken any action, either intentionally or by error or omission, to prejudice the "Company's" rights, the "Lender" agrees to reimburse the "Company" all sums paid on such claim(s) immediately upon the "Company's" request. The "Company" waives its rights of subrogation against the "Customer/Borrower" with respect to any claim paid under this policy unless:

- 1) Such claim originated through the willful action, knowledge or intent of the "Customer/Borrower"; or
- 2) The "Customer/Borrower" effected separate settlement or released any party or organization responsible for the loss other than settlement with the "Primary Carrier".

L. CANCELLATION

The "Lender" may cancel this policy by giving written notice to the "Company" stating that not less than [thirty (30)] days thereafter; such cancellation shall be effective.

This policy may be cancelled by the "Company" mailing to the "Lender", at the addresses shown on the Declarations page, written notice stating that not less than [thirty (30)] days thereafter, such cancellations shall be effective.

The mailing of such notice shall be sufficient proof of notice. Delivery of such notice by either the "Lender" or the "Company" shall be the equivalent of mailing.

In the event of cancellation of this policy, coverage is extended to apply to a "Loan/Lease Contract" made and "Collateral" insured by this policy during the policy period, until the earlier of the natural expiration of the "Loan/Lease Contract" or any other event as provided for in the Conditions section, "Automatic Termination of Addendum Coverage Under This Policy" paragraph of this policy.



DEERFIELD INSURANCE COMPANY

(A Stock Company)
Ten Parkway North
Deerfield IL, 60015
[1-847-572-6000]

M. TERMS OF POLICY CONFORM TO STATUTE

Terms of this policy which are in conflict with the statutes of the state wherein this policy is issued are hereby amended to conform to such statutes.

N. FRAUD AND MISREPRESENTATION

This policy is issued in reliance upon the truth of all representations made by the "Lender". This policy shall be void if the "Lender" has concealed or misrepresented any material fact(s), or circumstance(s) concerning this insurance or the subject thereof, or in the case of fraud, attempted fraud, or the false swearing by the "Lender" touching any matter relating to this insurance or the subject thereof, whether before or after loss.

O. COOPERATION AND ASSISTANCE

In the event of a loss, the "Lender" must cooperate with and assist the "Company" by executing and delivering the "Loan/Lease Contract", delivering documentation and papers, and doing whatever else is necessary that is reasonable within the "Lender's" ability, for the "Company" to settle the claim.

P. APPRAISAL

If the "Lender" and the "Company" disagree on the value of the "Payable Loss", either may make written demand for an appraisal. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the payable loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally. If there is an appraisal, the "Company" will still retain its right to deny the claim.

Q. SUITS AGAINST US

No suit, action, or proceeding for recovery of any claim under this policy shall be sustainable in any court or equity unless it is commenced within twelve (12) months after discovery by the "Lender" of the occurrence which gives rise to the claim. However, if the laws of the state within which this policy is issued such limitation is invalid, then such claim(s) shall be void unless such action, suit, or proceeding is commenced within the shortest permitted time within the laws of such state.

R. INSPECTION OF INSURED'S RECORDS

The "Company" may, at any time during business hours, inspect the records of the "Lender" to determine the amount of premium due, claims to be paid, and compliance with the terms of this policy.

S. COVERAGE FOR SUCCESSOR INTEREST

Coverage will apply to successors of interest of the "Lender" named in the Declarations page of this policy only after those successors have agreed in writing, on a form provided by the "Company", to assume all rights, duties, and obligations stated in this policy.

T. MITIGATION OF LOSS

The "Lender" should do all things reasonable, practical, and professional to avoid or reduce any loss covered under this policy and to protect the "Covered Vehicle" from any further loss. The "Lender" should also take reasonable measures to ensure that the maximum amount of "Actual Cash Value" of a "Covered Vehicle" is paid by the "Primary Carrier". This includes, at a minimum, verifying the accuracy of the "Actual Cash Value" with one of the following sources: Blue Book, NADA, or Red Book.

SECTION V. DEFINITIONS

Actual Cash Value (ACV) – The retail value of the "Covered Vehicle" on the "Date of Loss", as listed in a national or regional guide, such as National Automobile Dealers Association (NADA) or an equivalent national or regional guide for the territory in which the "Covered Vehicle" is principally garaged. For a "Covered Vehicle" which has no retail value available, or is located in territories where NADA or an equivalent national or regional guide is not customarily used, ACV will be determined using the best information available to the "Company", or which the "Company" reasonably believes accurately reflects the retail value of the "Covered Vehicle" and is customarily used as the basis for establishing ACV for the "Covered Vehicle" in the territory of the "Covered Vehicle" location.



DEERFIELD INSURANCE COMPANY

(A Stock Company)
Ten Parkway North
Deerfield IL, 60015
[1-847-572-6000]

Customer/Borrower - The natural person(s) named in the "Loan/Lease Contract" receiving a financing contract from the "Lender."

Collateral – The vehicle(s) described in the "Loan/Lease Contract".

Commercial Vehicle - Any vehicle in excess of [10,000 lbs] (GVW), and/or used for "Commercial Purpose", including but not limited to: transportation of persons or property for hire, compensation, profit, or in the furtherance of a commercial enterprise, including but not limited to the following: a) a business name is displayed on the vehicle; or b) the primary insurance for the vehicle is a Business Auto Policy or Commercial Vehicle Policy. Trailers, special commercial usage optional equipment, accessories, and body components are excluded from coverage. Share-the-expense carpools are not considered a commercial purpose.

Commercial Purpose – Use of a vehicle as a taxicab, public omnibus, jitney or sightseeing conveyance, or for carrying goods or passengers for compensation or hire or vehicle exceeds [10,000 lbs (GVW)] on the "Date of Loss".

Company - The insurance company named on the Declarations page.

Covered Vehicle – "Collateral" comprised of any four-wheel private passenger automobile, van, or light truck, as described in the "Loan/Lease Contract", utilized for personal purposes.

Constructive Total Loss – A direct and accidental loss of or damage of the "Covered Vehicle", which meets one of these criteria: 1.) the total cost to repair the "Covered Vehicle" is greater than the "Actual Cash Value" of the "Covered Vehicle" on the "Date of Loss"; or 2.) the "Covered Vehicle" is stolen and is not recovered within 30 days from the date a police report was filed, and the "Customer/Borrower's" "Primary Carrier" declares the "Covered Vehicle" a total loss.

Date of Loss - The date on which "Covered Vehicle" is reported stolen or incurs physical damage that is severe enough to constitute a "Constructive Total Loss".

Loan/Lease Contract -The contract which represents the financing agreement between the "Lender" and the "Customer/Borrower" for the purchase of the "Covered Vehicle", and which sets forth the terms, conditions, inception date, and expiration date of the financing agreement.

Lender -The entity named on the Declarations page.

Motorcycle - Any motor-propelled vehicle, other than a tractor or a motorized bicycle, designated for use on public roads and subject to motor vehicles registration, which is equipped with a saddle for the use of the rider and designed to be operated with not more than three wheels in contact with the ground, except that four wheels may be in contact with the ground when two of the wheels are a functional part of a sidecar, and weighing less than 1,500 pounds. This definition specifically includes all vehicles commonly known as "motorcycles", "motor-driven cycles", and "motor scooters."

Net Payoff – The amount of the "Lender's" interest as of the "Date of Loss", as represented by the portion of the "Customer/Borrower's" unpaid balance according to the original payment schedule of the "Loan/Lease Contract" that is secured by "Collateral", subject to the limitations. The amount does not include any unearned finance charges or loan/lease financing charges; payments as described in the loan/lease instrument that are more than sixty (60) days past due; late charges; uncollected service finance charges; refundable prepaid taxes and fees; disposition fees; termination fees; penalty fees; the recoverable portion of finance service charges or the recoverable portion of financed amounts for unearned insurance premiums or refundable charges (including, but not limited to credit life, vehicle service coverages/warranties and guaranteed automobile protection charges) that are owed by the "Customer/Borrower" on the "Date of Loss"; and amounts that are added to the loan/lease financing balance after the inception date of the "Loan/Lease Contract".

Payable Loss - The difference between the "Net Payoff" and the "Primary Carrier" settlement. The "Payable Loss" will not exceed the Maximum Benefit as shown on the Declarations page. "Payable Loss" includes the amount of the physical damage deductible on the "Primary Carrier" policy up to \$1,000. If settlement by the "Primary Carrier" or the "Actual Cash Value" is greater than or equal to the outstanding balance, no payment will be made under this policy. In the event that there is no "Primary Carrier" coverage in effect on the "Date of Loss", or if the "Primary Carrier" is declared insolvent, or if the "Lender" does not receive the proceeds from the "Primary Carrier" policy, the "Company" will only pay the difference between the "Net Payoff" and 90% of "Actual Cash Value" of the "Covered Vehicle" on the "Date of Loss. If there is no "Primary Carrier", the "Covered Vehicle" must have been inspected by the GAP Administrator to determine if the "Covered Vehicle" is a "Constructive Total Loss".



DEERFIELD INSURANCE COMPANY

(A Stock Company)
Ten Parkway North
Deerfield IL, 60015
[1-847-572-6000]

Primary Carrier – The company selected by the “Customer/Borrower” prior to the “Date of Loss” that underwrites a policy of insurance providing physical damage coverage on the “Covered Vehicle” and/or that provides liability coverage to any person who has caused the “Covered Vehicle” to incur a “Constructive Total Loss”.

Recreational Vehicle (RV) -A unit, with or without motive power, which is designated for human occupancy, used temporarily for recreation or emergency purposes; including motor homes, travel trailers (including "park model" travel trailers), tent trailers, fifth wheels, camperized vans, and truck mounted campers that are designed to be used primarily for accommodation during travel or recreation. “Recreational Vehicles” include:

- 1) Camping Trailer - a vehicle unit mounted on wheels and constructed with collapsible partial side walls which fold when the unit is towed by another vehicle and unfold at the campsite to provide temporary living quarters for recreational, camping or travel use, and has a floor area of less than 220 square feet, excluding built-in equipment such as wardrobes, closets, cabinets, kitchen units or fixtures, and bath or toilet rooms;
- 2) Motor Home - a vehicle unit built on or permanently attached to a self-propelled motor vehicle chassis or on a chassis cab or van which is an internal part of the complete vehicle, and has a floor area of less than 200 square feet, excluding built-in equipment such as wardrobes, closets, cabinets, kitchen units or fixtures, and bath or toilet rooms;
- 3) Camperized Van - a vehicle with slide-out pantry with coffee maker above it; closet with microwave or microwave/convection oven above it; toilet; flip-up sink; shower; two burner stove with fridge below it; sink; TV with video player;
- 4) Park Trailer - a vehicle built on a single chassis, mounted on wheels, designed to provide seasonal or temporary living quarters which may be connected to utilities for operation or installed or temporary living quarters which may be connected to utilities for operation of installed fixtures and appliances, of such a construction as to permit set-up by persons without special skills using only hand tools which may include lifting, pulling and supporting devices and a gross trailer area not exceeding 400 square feet when in the set-up mode;
- 5) Travel Trailer - a vehicular unit which has a roof, floor and sides and is mounted on wheels but which is not of such size or weight as to require special highway movement permits when towed by a motorized vehicle, and has a floor area of less than 220 square feet, excluding built-in equipment such as wardrobes, closets, cabinets, kitchen units or fixtures, and bath or toilet rooms;
- 6) Truck Camper - a portable unit which has a roof, floor and sides and is designed to be loaded on and off the bed of truck, and has a floor area of less than 220 square feet, excluding built-in equipment such as wardrobes, closets, cabinets, kitchen units or fixtures, and bath or toilet rooms; and
- 7) Tent Trailer - a unit towed by a vehicle with a trailer hitch. Sleeps four to nine people, includes a portable stove, and a portable dinette table, water storage, and propane tank. No kitchen units, fixtures, or toilets.

By acceptance of this policy, the “Lender” agrees that the statements contained on the Declarations page are its agreements and representations and acknowledges that this policy is issued in reliance upon the truth of such representations. This policy, together with any written contracts or representations in connection therewith, contains all agreements existing between the “Lender” and the “Company” or any agents relating to this insurance.

This policy is made and accepted subject to all conditions and agreements in this policy together with other provisions, agreements or conditions which may be endorsed hereon or added hereto.

IN WITNESS WHEREOF, _____ has caused this policy to be executed by the signatures below.

Secretary

President



DEERFIELD INSURANCE COMPANY

(A Stock Company)
Ten Parkway North
Deerfield IL, 60015
[1-847-572-6000]

GUARANTEED AUTO PROTECTION (GAP) INSURANCE DECLARATIONS

Policy Number:

Named Insured "Financial Institution/Lender":

Mailing Address:

City State Zip Code Country

Policy Period FROM: TO: Term:

At 12:01 A.M. Standard Time at the address of the Named Insured as stated herein.

Refer to Table of Rates and Parameters on the SUPPLEMENTAL DECLARATIONS

Collateral	[Private Passenger Automobiles]
Dollar Limit - MSRP	[\$100,000]
Primary Carrier Deductible Limit	[\$1,000]
Maximum Benefit	[\$50,000]

GAP Addendum Form
Number(s): _____

Premium: The "Financial Institution/Lender" shall pay to the "Company" a premium for each covered collateral, according to the terms stated in this policy, and at the rates shown in the Supplemental Declarations.

Premium Reporting and Payment Terms: [15 days after the end of each month]

Countersigned (If Required by Law):

This _____ Day of _____, _____

Authorized Agent



DEERFIELD INSURANCE COMPANY

(A Stock Company)
Ten Parkway North
Deerfield IL, 60015
[1-847-572-6000]

GUARANTEED AUTO PROTECTION (GAP) INSURANCE POLICY

SUPPLEMENTAL DECLARATIONS

SCHEDULE OF RATES AND PARAMETERS

Effective Date:

Policy Number:

Named Insured "Financial Institution/Lender":

Maximum Loan APR: [Twenty Four Percent (24.0%)]

Maximum Term Limit: [84 months]

Franchised Dealer Rates:

Loan To Value Ratio	Loan Term		
	[0 - 60] Months	[61-72] Months	[73-84] Months
Up to [150%]	\$ _____	\$ _____	\$ _____

Additional Benefits and Costs

Past Due Payments	<input type="checkbox"/> Not Covered	<input type="checkbox"/> Covered; not to Exceed <u>[60]</u> Days	\$ INCLUDED
Additional Loss Benefit	<input type="checkbox"/> Not Covered	<input type="checkbox"/> Covered; not to Exceed \$ _____ per loss	\$ _____

THIS SUPPLEMENTAL DECLARATIONS AND THE DECLARATIONS, TOGETHER WITH THE POLICY CONDITIONS, COVERAGE FORM(S) AND ENDORSEMENT(S) COMPLETE THE ABOVE NUMBERED POLICY.



DEERFIELD INSURANCE COMPANY

(A Stock Company)
Ten Parkway North
Deerfield IL, 60015
[1-847-572-6000]

GUARANTEED AUTO PROTECTION (GAP) INSURANCE POLICY

SECTION I. INSURING AGREEMENT

In consideration for the payment by the "Financial Institution/Lender" to the "Company" of the Premium specified in the Supplemental Declarations page, and in reliance upon the representations made by the "Financial Institution/Lender", the "Company" agrees to cover any "Payable Loss" sustained by the "Financial Institution/Lender" during the Policy Period as specified in the Declarations page for any loss against which coverage is afforded hereunder. Coverage provided by the "Company" for any "Payable Loss" shall be subject to the Maximum Benefit, Exclusions, Conditions and other terms of this policy.

SECTION II. POLICY COVERAGE

A. PHYSICAL DAMAGE COVERAGE

The "Company" shall insure the "Financial Institution/Lender" for financial loss resulting from direct physical loss of or damage to "Collateral", except as excluded herein.

B. PREMIUM

The "Financial Institution/Lender" shall pay the "Company" the Premium set forth in the Supplemental Declaration page.

C. LIMIT OF LIABILITY

- 1) Subject to the provisions of this policy, the "Company's" maximum limit of liability as respects all loss or damage arising from any "Payable Loss" shall not exceed the Maximum Benefit as shown on the Declarations page.
- 2) Any Addendum issued for an amount financed in excess of the Maximum Benefit will be deemed eligible for enrollment; however, coverage under this policy will be limited to the Maximum Benefit as shown on the Declarations page.
- 3) Any Addendum issued where the loan to value ratio exceeds the percentage specified in the Supplemental Declarations page will be deemed eligible for enrollment; however, the "Payable Loss" will be reduced to the equivalent amount as if the loan to value ratio was in compliance with the percentage specified in the Supplemental Declarations page as of the inception date of the "Retail Installment Sales Contract."

D. CONDITIONS PRECEDENT TO COVERAGE

Conditions precedent to the attaching of the "Company" coverage limits for any loss of, or damage to, "Collateral" are:

- 1) "Collateral" has sustained a "Constructive Total Loss"; and
- 2) "Collateral" has been reported as stipulated in the Premium Reporting and Payment Terms on the Declarations page, unless loss occurs prior to the [15th] of the month following the month in which coverage begins.

SECTION III. EXCLUSIONS

This policy does not provide coverage for loss:

- A. Occurring prior to the effective date of this policy.
- B. Resulting from "Retail Installment Sales Contracts" with inception dates outside the effective date of this policy.
- C. Due to confiscation of the "Covered Vehicle" by a government body or public official.
- D. Caused by theft, unless the "Customer/Borrower" or the "Financial Institution/Lender" files a police report.
- E. Resulting from the "Covered Vehicle" being operated, used, or maintained in any race, speed contest, or other contest.
- F. To a "Covered Vehicle" held as security under any wholesale, floor plan, field warehouse, or any type of financing made to a dealership or its employees.



DEERFIELD INSURANCE COMPANY

(A Stock Company)
Ten Parkway North
Deerfield IL, 60015
[1-847-572-6000]

- G. To the "Covered Vehicle", while used for a "Commercial Purpose".
- H. Occurring after a "Covered Vehicle" has been repossessed by the "Financial Institution/Lender" or placed in the "Financial Institution/Lender's" possession or in possession of the "Financial Institution/Lender" employees or agents.
- I. To a "Covered Vehicle" with a "Retail Installment Sales Contract" in which the Manufacturer's Suggested Retail Price (MSRP) or NADA or other national/regional valuation guide retail value is more than the MSRP Limit described on the Declarations page at the inception date of the "Retail Installment Sales Contract".
- J. Where the "Retail Installment Sales Contract" has an annual percentage rate (A.P.R.) in excess of the Maximum Loan APR or where the financing agreement term exceeds the Maximum Term Limit as stated in the Supplemental Declarations page.
- K. For any amounts deducted from the "Primary Carrier" settlement due to wear and tear, prior damage, unpaid insurance premiums, and towing and storage.
- L. To the following vehicles which are excluded from coverage: Daewoo, Bentley, Lamborghini, Lotus, Maserrati, Ferrari, Rolls Royce, Yugo, Aston Martin, "Recreational Vehicles" (RVs), boats, all-terrain vehicles (ATVs), snowmobiles, jet skis, "Motorcycles", trailers, and "Commercial Vehicles".
- M. Attributable to other than the standard or optional equipment available from the manufacturer of the "Covered Vehicle", including but not limited to: special carpeting, furniture, bars, audio, video, or data equipment, cooking and sleeping facilities, customized paint, or any equipment installed to overcome a physical handicap. Factory approved conversion packages and dealer installed options usually included in used care value guidebooks are not excluded.
- N. To a "Covered Vehicle" with a salvage or rebuilt title at the time of sale or for which title has been changed or re-issued as salvage or rebuilt prior to the "Date of Loss".
- O. Resulting directly or indirectly from any dishonest, fraudulent, criminal, or illegal act or arising from an intentional act committed by the "Customer/Borrower"; any employee or agent of the "Financial Institution/Lender"; or any dealer from whom the "Customer/Borrower" may acquire the "Retail Installment Sales Contract."
- P. From a "Retail Installment Sales Contract" that does not have uniform monthly repayment terms for the full period of the "Retail Installment Sales Contract" and/or for a "Retail Installment Sales Contract" that is self-financed.
- Q. To any vehicle financed under a lease agreement/contract.
- R. Due to war, whether or not declared, invasion, civil war, insurrection, rebellion, or revolution.

SECTION IV. CONDITIONS

A. POLICY PERIOD

This policy shall, subject to the "Company's" right to cancel, be effective for the term shown on the Declarations page and will only cover losses that occur during the original "Retail Installment Sales Contract" term of "Collateral".

B. POLICY TERRITORY

This policy applies only to losses to "Collateral" sustained while "Collateral" is within the United States of America, its territories or possessions, Canada, or is being transported between parts thereof.

C. RETAIL INSTALLMENT SALES CONTRACT TERM

Coverage under this policy will not apply on any "Collateral" with a "Retail Installment Sales Contract" term exceeding the Term Limit described on the Supplemental Declarations page of this policy.

D. AUTOMATIC TERMINATION OF ADDENDUM COVERAGE UNDER THIS POLICY

Addendum coverage under this policy shall automatically and without prior notice terminate concurrently with termination of a "Retail Installment Sales Contract" or sale of "Collateral".



DEERFIELD INSURANCE COMPANY

(A Stock Company)
Ten Parkway North
Deerfield IL, 60015
[1-847-572-6000]

E. RETAIL INSTALLMENT SALES CONTRACT CANCELLATION

For all "Retail Installment Sales Contracts" for "Collateral" that permit cancellation, when the "Retail Installment Sales Contract" is cancelled prior to its maturity date, the "Company" shall refund the premium for that "Retail Installment Sales Contract" according to the Pro-Rata method, a common method prescribed by law for calculating refunds on financing agreements. If the "Retail Installment Sales Contract" for "Collateral" is cancelled within the first [thirty (30)] days, no loss having occurred, the return premium will be 100% of the premium charge. However, in the event of a loss for a "Covered Vehicle" under this policy, there will be no return premium.

F. NO BENEFIT TO BAILEE

The coverage provided by this policy shall not apply directly or indirectly to the benefit of any bailee liable for loss to "Collateral".

G. PREMIUM REMITTANCE REPORT

The Premium Remittance Report shall be prepared and sent to the "Company" by the "Financial Institution/Lender" according to the Premium Reporting and Payment Terms described on the Declarations page.

H. CLAIM FOR LOSS

All claims for loss shall be reported to the "Company" within ninety (90) days of receiving settlement from the "Primary Carrier", or within ninety (90) days of repossession, whichever is later. No payment for loss will be made by the "Company" if said claim is not reported within these stated time periods.

I. CLAIMS SETTLEMENT

For each loss, the "Financial Institution/Lender" must submit to the "Company" a completed Notice of Loss provided by the "Company" and supporting documentation as reasonably requested by the "Company".

J. PAYMENT FOR LOSS

The "Company" shall submit payment of any undisputed claim amount within thirty (30) days of receipt of a completed Notice of Loss and all supporting documentation.

K. SUBROGATION

For any loss payments made under this policy, the "Company" shall be subrogated to all of the "Financial Institution/Lender's" right of recovery against any person or entity. The "Financial Institution/Lender" is entitled to complete reimbursement for its loss to "Collateral" before the "Company" is entitled to subrogation proceeds. If the "Financial Institution/Lender" has taken any action, either intentionally or by error or omission, to prejudice the "Company's" rights, the "Financial Institution/Lender" agrees to reimburse the "Company" all sums paid on such claim(s) immediately upon the "Company's" request. The "Company" waives its rights of subrogation against the "Customer/Borrower" with respect to any claim paid under this policy unless:

- 1) Such claim originated through the willful action, knowledge or intent of the "Customer/Borrower"; or
- 2) the "Customer/Borrower" effected separate settlement or released any party or organization responsible for the loss other than settlement with the "Primary Carrier".

L. CANCELLATION

The "Financial Institution/Lender" may cancel this policy by giving written notice to the "Company" stating that not less than [thirty (30)] days thereafter; such cancellation shall be effective.

This policy may be cancelled by the "Company" mailing to the "Financial Institution/Lender", at the addresses shown on the Declarations page, written notice stating that not less than [thirty (30)] days thereafter, such cancellations shall be effective.

The mailing of such notice shall be sufficient proof of notice. Delivery of such notice by either the "Financial Institution/Lender" or the "Company" shall be the equivalent of mailing.

In the event of cancellation of this policy, coverage is extended to apply to the "Retail Installment Sales Contract" made and "Collateral" insured by this policy during the policy period, until the earlier of the natural expiration of the "Retail Installment Sales Contract" or any other event as provided for in the Conditions section, "Automatic Termination of Addendum Coverage Under This Policy" paragraph of this policy.



DEERFIELD INSURANCE COMPANY

(A Stock Company)
Ten Parkway North
Deerfield IL, 60015
[1-847-572-6000]

M. TERMS OF POLICY CONFORM TO STATUTE

Terms of this policy which are in conflict with the statutes of the state wherein this policy is issued are hereby amended to conform to such statutes.

N. FRAUD AND MISREPRESENTATION

This policy is issued in reliance upon the truth of all representations made by the "Financial Institution/Lender". This policy shall be void if the "Financial Institution/Lender" has concealed or misrepresented any material fact(s), or circumstance(s) concerning this insurance or the subject thereof, or in the case of fraud, attempted fraud, or the false swearing by the "Financial Institution/Lender" touching any matter relating to this insurance or the subject thereof, whether before or after loss.

O. COOPERATION AND ASSISTANCE

In the event of a loss, the "Financial Institution/Lender" must cooperate with and assist the "Company" by executing and delivering the "Retail Installment Sales Contract", delivering documentation and papers, and doing whatever else is necessary that is reasonable within the "Financial Institution/Lender's" ability, for the "Company" to settle the claim.

P. APPRAISAL

If the "Financial Institution/Lender" and the "Company" disagree on the value of the "Payable Loss", either may make written demand for an appraisal. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the "Payable Loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally. If there is an appraisal, the "Company" will still retain its right to deny the claim.

Q. SUITS AGAINST US

No suit, action, or proceeding for recovery of any claim under this policy shall be sustainable in any court or equity unless it is commenced within twelve (12) months after discovery by the "Financial Institution/Lender" of the occurrence which gives rise to the claim. However, if the laws of the state within which this policy is issued such limitation is invalid, then such claim(s) shall be void unless such action, suit, or proceeding is commenced within the shortest permitted time within the laws of such state.

R. INSPECTION OF INSURED'S RECORDS

The "Company" may, at any time during business hours, inspect the records of the "Financial Institution/Lender" to determine the amount of premium due, claims to be paid, and compliance with the terms of this policy.

S. COVERAGE FOR SUCCESSOR INTEREST

Coverage will apply to successors of interest of the "Financial Institution/Lender" named in the Declarations page of this policy only after those successors have agreed in writing, on a form provided by the "Company", to assume all rights, duties, and obligations stated in this policy.

T. MITIGATION OF LOSS

The "Financial Institution/Lender" should do all things reasonable, practical, and professional to avoid or reduce any loss covered under this policy and to protect the "Covered Vehicle" from any further loss. The "Financial Institution/Lender" should also take reasonable measures to ensure that the maximum amount of "Actual Cash Value" of a "Covered Vehicle" is paid by the "Primary Carrier". This includes, at a minimum, verifying the accuracy of the "Actual Cash Value" with one of the following sources: Blue Book, NADA, or Red Book.

SECTION V. DEFINITIONS

Actual Cash Value (ACV) – The retail value of the "Covered Vehicle" on the "Date of Loss", as listed in a national or regional guide, such as National Automobile Dealers Association (NADA) or an equivalent national or regional guide for the territory in which the "Covered Vehicle" is principally garaged. For a "Covered Vehicle" which has no retail value available, or is located in territories where NADA or an equivalent national or regional guide is not customarily used, ACV will be determined using the best information available to the "Company", or which the "Company" reasonably believes accurately reflects the retail value of the "Covered Vehicle" and is



DEERFIELD INSURANCE COMPANY

(A Stock Company)
Ten Parkway North
Deerfield IL, 60015
[1-847-572-6000]

customarily used as the basis for establishing ACV for the "Covered Vehicle" in the territory of the "Covered Vehicle" location.

Customer/Borrower - The natural person(s) named in the "Retail Installment Sales Contract" receiving a "Retail Installment Sales Contract" from the "Lender".

Collateral – The vehicle(s) described in the "Retail Installment Sales Contract".

Commercial Vehicle - Any vehicle in excess of [10,000 lbs] (GVW), and/or used for "Commercial Purpose", including but not limited to: transportation of persons or property for hire, compensation, profit, or in the furtherance of a commercial enterprise, including but not limited to the following: a) a business name is displayed on the vehicle; or b) the primary insurance for the vehicle is a Business Auto Policy or Commercial Vehicle Policy. Trailers, special commercial usage optional equipment, accessories, and body components are excluded from coverage. Share-the-expense carpools are not considered a commercial purpose.

Commercial Purpose – Use of a vehicle as a taxicab, public omnibus, jitney or sightseeing conveyance, or for carrying goods or passengers for compensation or hire or vehicle exceeds [10,000 lbs] (GVW) on the "Date of Loss".

Company - The insurance company named on the Declarations page.

Covered Vehicle – "Collateral" comprised of any four-wheel private passenger automobile, van, or light truck, as described in the "Retail Installment Sales Contract", utilized for personal purposes.

Constructive Total Loss – A direct and accidental loss of or damage of the "Covered Vehicle", which meets one of these criteria: 1.) the total cost to repair the "Covered Vehicle" is greater than the "Actual Cash Value" of the "Covered Vehicle" on the "Date of Loss"; or 2.) the "Covered Vehicle" is stolen and is not recovered within 30 days from the date a police report was filed, and the "Customer/Borrower's" "Primary Carrier" declares the "Covered Vehicle" a total loss.

Date of Loss - The date on which "Covered Vehicle" is reported stolen or incurs physical damage that is severe enough to constitute a "Constructive Total Loss".

Financial Institution/Lender -The entity named on the Declarations page.

Motorcycle - Any motor-propelled vehicle, other than a tractor or a motorized bicycle, designated for use on public roads and subject to motor vehicles registration, which is equipped with a saddle for the use of the rider and designed to be operated with not more than three wheels in contact with the ground, except that four wheels may be in contact with the ground when two of the wheels are a functional part of a sidecar, and weighing less than 1,500 pounds. This definition specifically includes all vehicles commonly known as "motorcycles", "motor-driven cycles", and "motor scooters."

Net Payoff – The amount of the "Financial Institution/Lenders" interest as of the "Date of Loss", as represented by the portion of the "Customer/Borrower's" unpaid balance according to the original payment schedule of the "Retail Installment Sales Contract" that is secured by "Collateral", subject to the limitations. The amount does not include any unearned finance charges or loan/financing agreement charges; payments as described in the financing instrument that are more than sixty (60) days past due; late charges; uncollected service finance charges; refundable prepaid taxes and fees; disposition fees; termination fees; penalty fees; the recoverable portion of finance service charges or the recoverable portion of financed amounts for unearned insurance premiums or refundable charges (including, but not limited to credit life, vehicle service coverages/warranties and guaranteed automobile protection charges) that are owed by the "Customer/Borrower" on the "Date of Loss"; and amounts that are added to the loan/financing agreement balance after the inception date of the "Retail Installment Sales Contract".

Payable Loss - The difference between the "Net Payoff" and the "Primary Carrier" settlement. The "Payable Loss" will not exceed the Maximum Benefit as shown on the Declarations page. "Payable Loss" includes the amount of the physical damage deductible on the "Primary Carrier" policy up to \$1,000. If settlement by the "Primary Carrier" or the "Actual Cash Value" is greater than or equal to the outstanding balance, no payment will be made under this policy. In the event that there is no "Primary Carrier" coverage in effect on the "Date of Loss", or if the "Primary Carrier" is declared insolvent, or if the "Financial Institution/Lender" does not receive the proceeds from the "Primary Carrier" policy, the "Company" will only pay the difference between the "Net Payoff" and 90% of "Actual Cash Value" of the "Covered Vehicle" on the "Date of Loss". If there is no "Primary Carrier", the "Covered Vehicle" must have been inspected by the GAP Administrator to determine if the "Covered Vehicle" is a "Constructive Total Loss".



DEERFIELD INSURANCE COMPANY

(A Stock Company)
Ten Parkway North
Deerfield IL, 60015
[1-847-572-6000]

Primary Carrier – The insurance company selected by the “Customer/Borrower” prior to the “Date of Loss” that underwrites a policy of insurance providing physical damage coverage on the “Covered Vehicle” and/or that provides liability coverage to any person who has caused the “Covered Vehicle” to incur a “Constructive Total Loss”.

Retail Installment Sales Contract -The contract which represents the financing agreement between the “Financial Institution/Lender” and the “Customer/Borrower” for the purchase of the “Covered Vehicle”, and which sets forth the terms, conditions, inception date, and expiration date of the financing agreement.

Recreational Vehicle (RV) -A unit, with or without motive power, which is designated for human occupancy, used temporarily for recreation or emergency purposes; including motor homes, travel trailers (including "park model" travel trailers), tent trailers, fifth wheels, camperized vans, and truck mounted campers that are designed to be used primarily for accommodation during travel or recreation.

“Recreational Vehicles” include:

- 1) Camping Trailer - a vehicle unit mounted on wheels and constructed with collapsible partial side walls which fold when the unit is towed by another vehicle and unfold at the campsite to provide temporary living quarters for recreational, camping or travel use, and has a floor area of less than 220 square feet, excluding built-in equipment such as wardrobes, closets, cabinets, kitchen units or fixtures, and bath or toilet rooms;
- 2) Motor Home - a vehicle unit built on or permanently attached to a self-propelled motor vehicle chassis or on a chassis cab or van which is an internal part of the complete vehicle, and has a floor area of less than 200 square feet, excluding built-in equipment such as wardrobes, closets, cabinets, kitchen units or fixtures, and bath or toilet rooms;
- 3) Camperized Van - a vehicle with slide-out pantry with coffee maker above it; closet with microwave or microwave/convection oven above it; toilet; flip-up sink; shower; two burner stove with fridge below it; sink; TV with video player;
- 4) Park Trailer - a vehicle built on a single chassis, mounted on wheels, designed to provide seasonal or temporary living quarters which may be connected to utilities for operation or installed or temporary living quarters which may be connected to utilities for operation of installed fixtures and appliances, of such a construction as to permit set-up by persons without special skills using only hand tools which may include lifting, pulling and supporting devices and a gross trailer area not exceeding 400 square feet when in the set-up mode;
- 5) Travel Trailer - a vehicular unit which has a roof, floor and sides and is mounted on wheels but which is not of such size or weight as to require special highway movement permits when towed by a motorized vehicle, and has a floor area of less than 220 square feet, excluding built-in equipment such as wardrobes, closets, cabinets, kitchen units or fixtures, and bath or toilet rooms;
- 6) Truck Camper - a portable unit which has a roof, floor and sides and is designed to be loaded on and off the bed of truck, and has a floor area of less than 220 square feet, excluding built-in equipment such as wardrobes, closets, cabinets, kitchen units or fixtures, and bath or toilet rooms; and
- 7) Tent Trailer - a unit towed by a vehicle with a trailer hitch. Sleeps four to nine people, includes a portable stove, and a portable dinette table, water storage, and propane tank. No kitchen units, fixtures, or toilets.

By acceptance of this policy, the “Financial Institution/Lender” agrees that the statements contained on the Declarations page are its agreements and representations and acknowledges that this policy is issued in reliance upon the truth of such representations. This policy, together with any written contracts or representations in connection therewith, contains all agreements existing between the “Financial Institution/Lender” and the “Company” or any agents relating to this insurance.

This policy is made and accepted subject to all conditions and agreements in this policy together with other provisions, agreements or conditions which may be endorsed hereon or added hereto.

IN WITNESS WHEREOF, _____ has caused this policy to be executed by the signatures below.

Secretary

President



DEERFIELD INSURANCE COMPANY

(A Stock Company)
Ten Parkway North
Deerfield IL, 60015
[1-847-572-6000]

GUARANTEED AUTO PROTECTION (GAP) INSURANCE DECLARATIONS

Policy Number:

Named Insured "Lender":

Mailing Address:

City State Zip Code Country

Policy Period FROM: TO: Term:

At 12:01 A.M. Standard Time at the address of the Named Insured as stated herein.

Refer to Table of Rates and Parameters on the SUPPLEMENTAL DECLARATIONS

Collateral	[Private Passenger Automobiles]
Dollar Limit – MSRP	[\$100,000]
Primary Carrier Deductible Limit	[\$1,000]
Maximum Benefit	[\$50,000]

GAP Addendum Form
Number(s): _____

Premium: The "Lender" shall pay to the "Company" a premium for each covered collateral, according to the terms stated in this policy, and at the rates shown in the Supplemental Declarations.

Premium Reporting and Payment Terms: [15 days after the end of each month]

Countersigned (If Required by Law):

This _____ Day of _____, _____

Authorized Agent



DEERFIELD INSURANCE COMPANY

(A Stock Company)
Ten Parkway North
Deerfield IL, 60015
[1-847-572-6000]

GUARANTEED AUTO PROTECTION (GAP) INSURANCE POLICY

SUPPLEMENTAL DECLARATIONS

SCHEDULE OF RATES AND PARAMETERS

Effective Date:

Policy Number:

Named Insured "Lender":

Maximum Loan APR: [Twenty Four Percent (24.0%)]

Maximum Term Limit: [84 months]

Franchised Dealer Rates:

Loan To Value Ratio	Loan Term		
	[0 - 60] Months	[61-72] Months	[73-84] Months
Up to [150%]	\$ _____	\$ _____	\$ _____

Additional Benefits and Costs

Past Due Payments	<input type="checkbox"/> Not Covered	<input type="checkbox"/> Covered; not to Exceed <u>[60]</u> Days	\$ INCLUDED
Additional Loss Benefit	<input type="checkbox"/> Not Covered	<input type="checkbox"/> Covered; not to Exceed \$ _____ per loss	\$ _____

THIS SUPPLEMENTAL DECLARATIONS AND THE DECLARATIONS, TOGETHER WITH THE POLICY CONDITIONS, COVERAGE FORM(S) AND ENDORSEMENT(S) COMPLETE THE ABOVE NUMBERED POLICY.



DEERFIELD INSURANCE COMPANY

(A Stock Company)
Ten Parkway North
Deerfield IL, 60015
[1-847-572-6000]

GUARANTEED AUTO PROTECTION (GAP) INSURANCE POLICY

SECTION I. INSURING AGREEMENT

In consideration for the payment by the "Lender" to the "Company" of the Premium specified in the Supplemental Declarations page, and in reliance upon the representations made by the "Lender", the "Company" agrees to cover "Payable Loss" sustained by the "Lender" during the Policy Period as specified in the Declarations page for any loss against which coverage is afforded hereunder. Coverage provided by the "Company" for any "Payable Loss" shall be subject to the Maximum Benefit, Exclusions, Conditions and other terms of this policy.

SECTION II. POLICY COVERAGE

A. PHYSICAL DAMAGE COVERAGE

The "Company" shall insure the "Lender" for financial loss resulting from direct physical loss of or damage to "Collateral", except as excluded herein.

B. PREMIUM

The "Lender" shall pay the "Company" the Premium set forth in the Supplemental Declarations page.

C. LIMIT OF LIABILITY

- 1) Subject to the provisions of this policy, the "Company's" maximum limit of liability as respects all loss or damage arising from any "Payable Loss" shall not exceed the Maximum Benefit as shown on the Declarations page.
- 2) Any Addendum issued for an amount financed in excess of the Maximum Benefit will be deemed eligible for enrollment; however, coverage under this policy will be limited to the Maximum Benefit as shown on the Declarations page.
- 3) Any Addendum issued where the loan to value ratio exceeds the percentage specified in the Supplemental Declarations page will be deemed eligible for enrollment; however, the "Payable Loss" will be reduced to the equivalent amount as if the loan to value ratio was in compliance with the percentage specified in the Supplemental Declarations page as of the inception date of the "Finance Contract."

D. CONDITIONS PRECEDENT TO COVERAGE

Conditions precedent to the attaching of the "Company" coverage limits for any loss of, or damage to, "Collateral" are:

- 1) "Collateral" has sustained a "Constructive Total Loss"; and
- 2) "Collateral" has been reported as stipulated in the Premium Reporting and Payment Terms on the Declarations page, unless loss occurs prior to the [15th] of the month following the month in which coverage begins.

SECTION III. EXCLUSIONS

This policy does not provide coverage for loss:

- A. Occurring prior to the effective date of this policy.
- B. Resulting from "Financing Contracts" with inception dates outside the effective date of this policy.
- C. Due to confiscation of the "Covered Vehicle" by a government body or public official.
- D. Caused by theft, unless the "Customer/Borrower" or the "Lender" files a police report.
- E. Resulting from the "Covered Vehicle" being operated, used, or maintained in any race, speed contest, or other contest.
- F. To a "Covered Vehicle" held as security under any wholesale, floor plan, field warehouse, or any type of financing made to a dealership or its employees.
- G. To the "Covered Vehicle", while used for a "Commercial Purpose".



DEERFIELD INSURANCE COMPANY

(A Stock Company)
Ten Parkway North
Deerfield IL, 60015
[1-847-572-6000]

- H. Occurring after a "Covered Vehicle" has been repossessed by the "Lender" or placed in the "Lender's" possession or in possession of the "Lender's" employees or agents.
- I. To a "Covered Vehicle" with a "Financing Contract" in which the Manufacturer's Suggested Retail Price (MSRP) or NADA or other national/regional valuation guide retail value is more than the MSRP Limit described on the Declarations page at the inception date of the "Financing Contract".
- J. Where the "Financing Contract" has an annual percentage rate (A.P.R.) in excess of the Maximum Loan APR or where the loan term exceeds the Maximum Term Limit as stated in the Supplemental Declarations page.
- K. For any amounts deducted from the "Primary Carrier" settlement due to wear and tear, prior damage, unpaid insurance premiums, and towing and storage.
- L. To the following vehicles which are excluded from coverage: Daewoo, Bentley, Lamborghini, Lotus, Maserrati, Ferrari, Rolls Royce, Yugo, Aston Martin, "Recreational Vehicles" (RVs), boats, all-terrain vehicles (ATVs), snowmobiles, jet skis, "Motorcycles", trailers, and "Commercial Vehicles".
- M. Attributable to other than the standard or optional equipment available from the manufacturer of the "Covered Vehicle", including but not limited to: special carpeting, furniture, bars, audio, video, or data equipment, cooking and sleeping facilities, customized paint, or any equipment installed to overcome a physical handicap. Factory approved conversion packages and dealer installed options usually included in used care value guidebooks are not excluded.
- N. To a "Covered Vehicle" with a salvage or rebuilt title at the time of sale or for which title has been changed or re-issued as salvage or rebuilt prior to the "Date of Loss".
- O. Resulting directly or indirectly from any dishonest, fraudulent, criminal, or illegal act or arising from an intentional act committed by the "Customer/Borrower"; any employee or agent of the "Lender"; or any dealer from whom the "Customer/Borrower" may acquire the "Financing Contract."
- P. From a "Financing Contract" that does not have uniform monthly repayment terms for the full period of the financing agreement and/or for a loan that is self-financed.
- Q. To any vehicle financed under a lease agreement/contract.
- R. Due to war, whether or not declared, invasion, civil war, insurrection, rebellion, or revolution.

SECTION IV. CONDITIONS

A. POLICY PERIOD

This policy shall, subject to the "Company's" right to cancel, be effective for the term shown on the Declarations page and will only cover losses that occur during the original "Financing Contract" term of "Collateral".

B. POLICY TERRITORY

This policy applies only to losses to "Collateral" sustained while "Collateral" is within the United States of America, its territories or possessions, Canada, or is being transported between parts thereof.

C. FINANCING CONTRACT TERM

Coverage under this policy will not apply on any "Collateral" with a "Financing Contract" term exceeding the Term Limit described on the Supplemental Declarations page of this policy.

D. AUTOMATIC TERMINATION OF ADDENDUM COVERAGE UNDER THIS POLICY

Addendum Coverage under this policy shall automatically and without prior notice terminate concurrently with termination of a "Financing Contract" or sale of "Collateral".



DEERFIELD INSURANCE COMPANY

(A Stock Company)
Ten Parkway North
Deerfield IL, 60015
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E. FINANCING CONTRACT CANCELLATION

For all "Financing Contracts" for "Collateral" that permit cancellation, when the "Financing Contract" is cancelled prior to its maturity date, the "Company" shall refund the premium for that "Financing Contract" according to the Pro-Rata method, a common method prescribed by law for calculating refunds on loans. If the "Financing Contract" for "Collateral" is cancelled within the first [thirty (30) days], no loss having occurred, the return premium will be 100% of the premium charge. However, in the event of a loss for a "Covered Vehicle" under this policy, there will be no return premium.

F. NO BENEFIT TO BAILEE

The coverage provided by this policy shall not apply directly or indirectly to the benefit of any bailee liable for loss to "Collateral".

G. PREMIUM REMITTANCE REPORT

The Premium Remittance Report shall be prepared and sent to the "Company" by the "Lender" according to the Premium Reporting and Payment Terms described on the Declarations page.

H. CLAIM FOR LOSS

All claims for loss shall be reported to the "Company" within [sixty (60)] days of receiving settlement from the "Primary Carrier", or within [sixty (60)] days of repossession, whichever is later. No payment for loss will be made by the "Company" if said claim is not reported within these stated time periods.

I. CLAIMS SETTLEMENT

For each loss, the "Lender" must submit to the "Company" a completed Notice of Loss provided by the "Company" and supporting documentation as reasonably requested by the "Company".

J. PAYMENT FOR LOSS

The "Company" shall submit payment of any undisputed claim amount within thirty (30) days of receipt of a completed Notice of Loss and all supporting documentation.

K. SUBROGATION

For any loss payments made under this policy, the "Company" shall be subrogated to all of the "Lender's" right of recovery against any person or entity. The "Lender" is entitled to complete reimbursement for its loss to "Collateral" before the "Company" is entitled to subrogation proceeds. If the "Lender" has taken any action, either intentionally or by error or omission, to prejudice the "Company's" rights, the "Lender" agrees to reimburse the "Company" all sums paid on such claim(s) immediately upon the "Company's" request. The "Company" waives its rights of subrogation against the "Customer/Borrower" with respect to any claim paid under this policy unless:

- 1) Such claim originated through the willful action, knowledge or intent of the "Customer/Borrower"; or
- 2) the "Customer/Borrower" effected separate settlement or released any party or organization responsible for the loss other than settlement with the "Primary Carrier".

L. CANCELLATION

The "Lender" may cancel this policy by giving written notice to the "Company" stating that not less than [thirty (30)] days thereafter; such cancellation shall be effective.

This policy may be cancelled by the "Company" mailing to the "Lender", at the addresses shown on the Declarations page, written notice stating that not less than [thirty (30)] days thereafter, such cancellations shall be effective.

The mailing of such notice shall be sufficient proof of notice. Delivery of such notice by either the "Lender" or the "Company" shall be the equivalent of mailing.

In the event of cancellation of this policy, coverage is extended to apply to "Financing Contract" made and "Collateral" insured by this policy during this policy period, until the earlier of the natural expiration of the "Financing Contract" or any other event as provided for in the Conditions section, "Automatic Termination of Addendum Coverage Under This Policy" paragraph of this policy.



DEERFIELD INSURANCE COMPANY

(A Stock Company)
Ten Parkway North
Deerfield IL, 60015
[1-847-572-6000]

M. TERMS OF POLICY CONFORM TO STATUTE

Terms of this policy which are in conflict with the statutes of the state wherein this policy is issued are hereby amended to conform to such statutes.

N. FRAUD AND MISREPRESENTATION

This policy is issued in reliance upon the truth of all representations made by the "Lender". This policy shall be void if the "Lender" has concealed or misrepresented any material fact(s), or circumstance(s) concerning this insurance or the subject thereof, or in the case of fraud, attempted fraud, or the false swearing by the "Lender" touching any matter relating to this insurance or the subject thereof, whether before or after loss.

O. COOPERATION AND ASSISTANCE

In the event of a loss, the "Lender" must cooperate with and assist the "Company" by executing and delivering the "Financing Contract", delivering documentation and papers, and doing whatever else is necessary that is reasonable within the "Lender's" ability, for the "Company" to settle the claim.

P. APPRAISAL

If the "Lender" and the "Company" disagree on the value of the "Payable Loss", either may make written demand for an appraisal. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the "Payable Loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally. If there is an appraisal, the "Company" will still retain its right to deny the claim.

Q. SUITS AGAINST US

No suit, action, or proceeding for recovery of any claim under this policy shall be sustainable in any court or equity unless it is commenced within twelve (12) months after discovery by the "Lender" of the occurrence which gives rise to the claim. However, if the laws of the state within which this policy is issued such limitation is invalid, then such claim(s) shall be void unless such action, suit, or proceeding is commenced within the shortest permitted time within the laws of such state.

R. INSPECTION OF INSURED'S RECORDS

The "Company" may, at any time during business hours, inspect the records of the "Lender" to determine the amount of premium due, claims to be paid, and compliance with the terms of this policy.

S. COVERAGE FOR SUCCESSOR INTEREST

Coverage will apply to successors of interest of the "Lender" named in the Declarations page of this policy only after those successors have agreed in writing, on a form provided by the "Company", to assume all rights, duties, and obligations stated in this policy.

T. MITIGATION OF LOSS

The "Lender" should do all things reasonable, practical, and professional to avoid or reduce any loss covered under this policy and to protect the "Covered Vehicle" from any further loss. The "Lender" should also take reasonable measures to ensure that the maximum amount of "Actual Cash Value" of a "Covered Vehicle" is paid by the "Primary Carrier". This includes, at a minimum, verifying the accuracy of the "Actual Cash Value" with one of the following sources: Blue Book, NADA, or Red Book.

SECTION V. DEFINITIONS

Actual Cash Value (ACV) – The retail value of the "Covered Vehicle" on the "Date of Loss", as listed in a national or regional guide, such as National Automobile Dealers Association (NADA) or an equivalent national or regional guide for the territory in which the "Covered Vehicle" is principally garaged. For a "Covered Vehicle" which has no retail value available, or is located in territories where NADA or an equivalent national or regional guide is not customarily used, ACV will be determined using the best information available to the "Company", or which the "Company" reasonably believes accurately reflects the retail value of the "Covered Vehicle" and is



DEERFIELD INSURANCE COMPANY

(A Stock Company)
Ten Parkway North
Deerfield IL, 60015
[1-847-572-6000]

customarily used as the basis for establishing ACV for the "Covered Vehicle" in the territory of the "Covered Vehicle" location.

Customer/Borrower - The natural person(s) named in the "Financing Contract" receiving a "Financing Contract" from the "Lender".

Collateral – The vehicle(s) described in the "Financing Contract".

Commercial Vehicle - Any vehicle in excess of [10,000 lbs] (GVW), and/or used for "Commercial Purpose", including but not limited to: transportation of persons or property for hire, compensation, profit, or in the furtherance of a commercial enterprise, including but not limited to the following: a) a business name is displayed on the vehicle; or b) the primary insurance for the vehicle is a Business Auto Policy or Commercial Vehicle Policy. Trailers, special commercial usage optional equipment, accessories, and body components are excluded from coverage. Share-the-expense carpools are not considered a commercial purpose.

Commercial Purpose – Use of a vehicle as a taxicab, public omnibus, jitney or sightseeing conveyance, or for carrying goods or passengers for compensation or hire or vehicle exceeds [10,000 lbs] (GVW) on the "Date of Loss".

Company - The insurance company named on the Declarations page.

Covered Vehicle – "Collateral" comprised of any four-wheel private passenger automobile, van, or light truck, as described in the "Financing Contract", utilized for personal purposes.

Constructive Total Loss – A direct and accidental loss of or damage of the "Covered Vehicle", which meets one of these criteria: 1.) the total cost to repair the "Covered Vehicle" is greater than the "Actual Cash Value" of the "Covered Vehicle" on the "Date of Loss"; or 2.) the "Covered Vehicle" is stolen and is not recovered within 30 days from the date a police report was filed, and the "Customer/Borrower's" "Primary Carrier" declares the "Covered Vehicle" a total loss.

Date of Loss - The date on which "Covered Vehicle" is reported stolen or incurs physical damage that is severe enough to constitute a "Constructive Total Loss".

Financing Contract -The contract which represents the financing agreement between the "Lender" and the "Customer/Borrower" for the purchase of the "Covered Vehicle", and which sets forth the terms, conditions, inception date, and expiration date of the financing agreement.

Lender -The entity named on the Declarations page.

Motorcycle - Any motor-propelled vehicle, other than a tractor or a motorized bicycle, designated for use on public roads and subject to motor vehicles registration, which is equipped with a saddle for the use of the rider and designed to be operated with not more than three wheels in contact with the ground, except that four wheels may be in contact with the ground when two of the wheels are a functional part of a sidecar, and weighing less than 1,500 pounds. This definition specifically includes all vehicles commonly known as "motorcycles", "motor-driven cycles", and "motor scooters."

Net Payoff – The amount of the "Lender's" interest as of the "Date of Loss", as represented by the portion of the "Customer/Borrower's" unpaid balance according to the original payment schedule of the "Financing Contract" that is secured by "Collateral", subject to the limitations. The amount does not include any unearned finance charges or loan/financing charges; payments as described in the loan instrument that are more than sixty (60) past due; late charges; uncollected service finance charges; refundable prepaid taxes and fees; disposition fees; termination fees; penalty fees; the recoverable portion of finance service charges or the recoverable portion of financed amounts for unearned insurance premiums or refundable charges (including, but not limited to credit life, vehicle service coverages/warranties and guaranteed automobile protection charges) that are owed by the "Customer/Borrower" on the "Date of Loss"; and amounts that are added to the loan/financing balance after the inception date of the "Financing Contract".

Payable Loss - The difference between the "Net Payoff" and the "Primary Carrier" settlement. The "Payable Loss" will not exceed the Maximum Benefit as shown on the Declarations page. "Payable Loss" includes the amount of the physical damage deductible on the "Primary Carrier" policy up to \$1,000. If settlement by the "Primary Carrier" or the "Actual Cash Value" is greater than or equal to the outstanding balance, no payment will be made under this policy. In the event that there is no "Primary Carrier" coverage in effect on the "Date of Loss", or if the "Primary Carrier" is declared insolvent, or if the "Lender" does not receive the proceeds from the "Primary Carrier" policy, the "Company" will only pay the difference between the "Net Payoff" and 90% of "Actual Cash Value" of the "Covered Vehicle" on the "Date of Loss". If there is no "Primary Carrier", the "Covered Vehicle" must have been inspected by the GAP



DEERFIELD INSURANCE COMPANY

(A Stock Company)
Ten Parkway North
Deerfield IL, 60015
[1-847-572-6000]

Administrator to determine if the "Covered Vehicle" is a "Constructive Total Loss".

Primary Carrier – The insurance company selected by the "Customer/Borrower" prior to the "Date of Loss" that underwrites a policy of insurance providing physical damage coverage on the "Covered Vehicle" and/or that provides liability coverage to any person who has caused the "Covered Vehicle" to incur a "Constructive Total Loss".

Recreational Vehicle (RV) -A unit, with or without motive power, which is designated for human occupancy, used temporarily for recreation or emergency purposes; including motor homes, travel trailers (including "park model" travel trailers), tent trailers, fifth wheels, camperized vans, and truck mounted campers that are designed to be used primarily for accommodation during travel or recreation. "Recreational Vehicles" include:

- 1) Camping Trailer - a vehicle unit mounted on wheels and constructed with collapsible partial side walls which fold when the unit is towed by another vehicle and unfold at the campsite to provide temporary living quarters for recreational, camping or travel use, and has a floor area of less than 220 square feet, excluding built-in equipment such as wardrobes, closets, cabinets, kitchen units or fixtures, and bath or toilet rooms;
- 2) Motor Home - a vehicle unit built on or permanently attached to a self-propelled motor vehicle chassis or on a chassis cab or van which is an internal part of the complete vehicle, and has a floor area of less than 200 square feet, excluding built-in equipment such as wardrobes, closets, cabinets, kitchen units or fixtures, and bath or toilet rooms;
- 3) Camperized Van - a vehicle with slide-out pantry with coffee maker above it; closet with microwave or microwave/convection oven above it; toilet; flip-up sink; shower; two burner stove with fridge below it; sink; TV with video player;
- 4) Park Trailer - a vehicle built on a single chassis, mounted on wheels, designed to provide seasonal or temporary living quarters which may be connected to utilities for operation or installed or temporary living quarters which may be connected to utilities for operation of installed fixtures and appliances, of such a construction as to permit set-up by persons without special skills using only hand tools which may include lifting, pulling and supporting devices and a gross trailer area not exceeding 400 square feet when in the set-up mode;
- 5) Travel Trailer - a vehicular unit which has a roof, floor and sides and is mounted on wheels but which is not of such size or weight as to require special highway movement permits when towed by a motorized vehicle, and has a floor area of less than 220 square feet, excluding built-in equipment such as wardrobes, closets, cabinets, kitchen units or fixtures, and bath or toilet rooms;
- 6) Truck Camper - a portable unit which has a roof, floor and sides and is designed to be loaded on and off the bed of truck, and has a floor area of less than 220 square feet, excluding built-in equipment such as wardrobes, closets, cabinets, kitchen units or fixtures, and bath or toilet rooms; and
- 7) Tent Trailer - a unit towed by a vehicle with a trailer hitch. Sleeps four to nine people, includes a portable stove, and a portable dinette table, water storage, and propane tank. No kitchen units, fixtures, or toilets.

By acceptance of this policy, the "Lender" agrees that the statements contained on the Declarations page are its agreements and representations and acknowledges that this policy is issued in reliance upon the truth of such representations. This policy, together with any written contracts or representations in connection therewith, contains all agreements existing between the "Lender" and the "Company" or any agents relating to this insurance.

This policy is made and accepted subject to all conditions and agreements in this policy together with other provisions, agreements or conditions which may be endorsed hereon or added hereto.

IN WITNESS WHEREOF, _____ has caused this policy to be executed by the signatures below.

Secretary

President



DEERFIELD INSURANCE COMPANY

(A Stock Company)
Ten Parkway North
Deerfield IL, 60015
[1-847-572-6000]

GUARANTEED AUTO PROTECTION (GAP) INSURANCE POLICY

ARKANSAS STATE CHANGES ENDORSEMENT

This endorsement changes the policy. PLEASE READ CAREFULLY.

The following replaces SECTION IV. CONDITIONS, provision L. CANCELLATION.

L. CANCELLATION

1. The “**Lender**” may cancel this policy by giving written notice to the “**Company**” stating that not less than 30 days thereafter such cancellation shall be effective.

2. POLICIES IN EFFECT FOR 60 DAYS OR LESS

This policy may be cancelled by the “**Company**” mailing to the “**Lender**”, at the addresses shown on the Declarations page, written notice stating that not less than 20 days thereafter, such cancellations shall be effective.

3. POLICIES IN EFFECT FOR MORE THAN 60 DAYS:

If this policy has been in effect for 60 days or more or is a renewal of a policy the “**Company**” issued, the “**Company**” may cancel only for one or more of the following reasons:

- (a) Nonpayment of premium;
- (b) Fraud or material misrepresentation made by the “**Lender**” or with the “**Lender**’s” knowledge in obtaining this policy, continuing this policy or in presenting a claim under this policy;
- (c) The occurrence of a material change in the risk which substantially increases any hazard insured against after policy issuance;
- (d) A material violation of a material provision of this policy;

If the “**Company**” cancels this policy based on one or more of the above reason, the “**Company**” will mail or deliver to the “**Lender**” written notice of cancellation stating the reasons for cancellation. The “**Company**” will mail this notice to the last mailing addresses shown on the Declarations page at least:

- (1) 10 days before the effective date of cancellation if cancellation is for nonpayment of premium.
- (2) 20 days before the effective date of cancellation if cancellation is for any other reason(s).



DEERFIELD INSURANCE COMPANY

(A Stock Company)
Ten Parkway North
Deerfield IL, 60015
[1-847-572-6000]

GUARANTEED AUTO PROTECTION (GAP) INSURANCE POLICY

ARKANSAS STATE CHANGES ENDORSEMENT

This endorsement changes the policy. PLEASE READ CAREFULLY.

The following replaces SECTION IV. CONDITIONS, provision L. CANCELLATION.

L. CANCELLATION

1. The “**Financial Institution/Lender**” may cancel this policy by giving written notice to the “**Company**” stating that not less than 30 days thereafter such cancellation shall be effective.

2. POLICIES IN EFFECT FOR 60 DAYS OR LESS

This policy may be cancelled by the “**Company**” mailing to the “**Financial Institution Lender**”, at the addresses shown on the Declarations page, written notice stating that not less than 20 days thereafter, such cancellations shall be effective.

3. POLICIES IN EFFECT FOR MORE THAN 60 DAYS:

If this policy has been in effect for 60 days or more or is a renewal of a policy the “**Company**” issued, the “**Company**” may cancel only for one or more of the following reasons:

- (a) Nonpayment of premium;
- (b) Fraud or material misrepresentation made by the “**Financial Institution/Lender**” or with the “**Financial Institution/Lender’s**” knowledge in obtaining this policy, continuing this policy or in presenting a claim under this policy;
- (c) The occurrence of a material change in the risk which substantially increases any hazard insured against after policy issuance;
- (d) A material violation of a material provision of this policy;

If the “**Company**” cancels this policy based on one or more of the above reasons, the “**Company**” will mail or deliver to the “**Financial Institution/Lender**” written notice of cancellation stating the reasons for cancellation. The “**Company**” will mail this notice to the last mailing addresses shown on the

Declarations

page at least:

- (1) 10 days before the effective date of cancellation if cancellation is for nonpayment of premium.
- (2) 20 days before the effective date of cancellation if cancellation is for any other reason(s).



DEERFIELD INSURANCE COMPANY

(A Stock Company)
Ten Parkway North
Deerfield IL, 60015
[1-847-572-6000]

GUARANTEED AUTO PROTECTION (GAP) INSURANCE POLICY

ADDITIONAL LOSS BENEFIT ENDORSEMENT

Endorsement No. _____

This endorsement is attached to and forms a part of policy no. _____
and is subject to all the terms and conditions of the policy not inconsistent herewith.

Issued to _____

Effective Date of Endorsement _____ Date of Issue _____

The following provision is added to the Insuring Agreement of your Guaranteed Auto Protection (GAP) Insurance policy:

In consideration of the additional premium and in the event of a **“Constructive Total Loss”** under a GAP Addendum, this endorsement provides the **“Customer/Borrower”** a financing allowance (or credit) toward the down payment of a replacement vehicle in an amount equal to the lesser of the **“Actual Cash Value”** of the vehicle as of the date of loss or [\$1,000.00.] The **“Customer/Borrower”** must finance [or lease] a replacement vehicle from the selling dealer within sixty (60) days after the **“Primary Carrier”** settlement or the option expires. There is no cash value to the **“Customer/Borrower”**.

All other terms and conditions remain the same.

SERFF Tracking Number: YTYC-125668740 State: Arkansas
Filing Company: Deerfield Insurance Company State Tracking Number: EFT \$50
Company Tracking Number: CLIP GAP F 0608
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0004 Contractual Liability
Product Name: Contractual Liability - Guaranteed Auto Protection (GAP)
Project Name/Number: CLIP GAP (DIF/Markel) 08/kathy

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: YTYC-125668740 State: Arkansas
Filing Company: Deerfield Insurance Company State Tracking Number: EFT \$50
Company Tracking Number: CLIP GAP F 0608
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0004 Contractual Liability
Product Name: Contractual Liability - Guaranteed Auto Protection (GAP)
Project Name/Number: CLIP GAP (DIF/Markel) 08/kathy

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-
Property & Casualty **Review Status:** Approved 06/30/2008

Comments:

Attachment:

industry_rates_PCtransDoc_intelligent.pdf

Satisfied -Name: Filing authorization letter **Review Status:** Approved 06/30/2008

Comments:

Attachment:

DIC authorization 2.pdf

Property & Casualty Transmittal Document

<p>1. Reserved for Insurance Dept. Use Only</p>	<p>2. Insurance Department Use only</p> <p>a. Date the filing is received:</p> <p>b. Analyst:</p> <p>c. Disposition:</p> <p>d. Date of disposition of the filing:</p> <p>e. Effective date of filing:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">New Business</td> <td></td> </tr> <tr> <td>Renewal Business</td> <td></td> </tr> </table> <p>f. State Filing #:</p> <p>g. SERFF Filing #:</p> <p>h. Subject Codes</p>	New Business		Renewal Business	
New Business					
Renewal Business					

3. Group Name	Group NAIC #

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #

5. Company Tracking Number	
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail

7. Signature of authorized filer	
8. Please print name of authorized filer	

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	
10. Sub-Type of Insurance (Sub-TOI)	
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: <input type="text"/> Renewal: <input type="text"/>
15. Reference Filing?	<input type="checkbox"/> Yes <input type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking #

21. Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]

22. Filing Fees (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 #:
Amount:

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.)

PC TD-1 pg 2 of 2

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.)

1.	This filing transmittal is part of Company Tracking #	
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2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)	
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3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input 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		

PC FFS-1



DEERFIELD INSURANCE COMPANY

4600 Cox Road Glen Allen, Virginia 23060-9817 P.O. Box 3870, Glen Allen, Virginia 23058-3870
(804) 527-2700 (800) 431-1270 www.markelinsurance.com

June 23, 2008

Commissioner of Insurance

Re: Deerfield Insurance Company
NAIC Number: 37184
Program: Contractual Liability- Guaranteed Auto Protection

Dear Commissioner:

This is notification that we authorize the following firm to file the above captioned program on behalf of Deerfield Insurance Company:

Year to Year Consulting, L.L.C.
1580 N Point Prairie Rd
Foristell, MO 63348
Phone: 636-639-1880
Contact person: Steve Rush, Managing Member

Should you have any questions regarding the above, please contact me accordingly.

Sincerely,

A handwritten signature in cursive script that reads "Scott A. Delatour".

Vice President – Business Development