

DEBT CANCELLATION AGREEMENT

This Guaranteed Asset Protection (GAP) or **DEBT CANCELLATION** Agreement is entered into by and between the Borrower(s) (**You, Your**) and the Lender/Dealer/Lessor (**We, Us, Our**)

BORROWER	CO-BORROWER
Name	Name
Address	Address
City, State, Zip	City, State, Zip
Phone	Phone

ELIGIBLE VEHICLES (check one)

Motor Vehicle (less than 13,500 lbs. GVW) <input type="checkbox"/> Auto <input type="checkbox"/> Van <input type="checkbox"/> Light Truck <input type="checkbox"/> RV <input type="checkbox"/> Motorcycle (No Commercial Use) <input type="checkbox"/> ATV <input type="checkbox"/> Snowmobile <input type="checkbox"/> Personal Watercraft (Maximum \$40,000 Value)		
Year	Make / Model	VIN

FINANCIAL AGREEMENT

Lender/Dealer/Lessor	Date	Loan / Account #	Amount Financed \$	Term
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AGREEMENT: Although not required to do so, **you** have elected to purchase this **DEBT CANCELLATION** agreement. In the event of a **total loss** to the financed **vehicle** (described above), and subject to all the terms and conditions printed on both sides of this **DEBT CANCELLATION** agreement, **we** agree to waive the difference between **your outstanding balance** and the **primary insurance settlement** on the **date of total loss**. The amount **we** will pay is subject to the limitations provided in this **DEBT CANCELLATION** agreement and may not exceed \$50,000. **We** will also reimburse **you** for the amount of **your** deductible on **your primary carrier** policy, up to the maximum of \$1,000 (Except in the State of Illinois where the amount of **your** Deductible is not waived). In the event that no **primary insurance** is in effect on the **date of total loss**, or the **primary carrier** is declared insolvent, **we** will waive the difference between **your outstanding balance** and the **actual cash value** of the financed **vehicle**, as determined by **us**. The maximum term of this **DEBT CANCELLATION** agreement cannot exceed eighty-four (84) months. No **vehicle** with a market value greater than \$100,000 as of the date of this **DEBT CANCELLATION** agreement is covered hereunder. No Personal Watercraft with a market value greater than \$40,000 as of the date of this **DEBT CANCELLATION** agreement is covered hereunder. No benefit will be paid under this **DEBT CANCELLATION** agreement if the **primary insurance settlement** is equal to or greater than **your outstanding balance**. (SEE REVERSE FOR LIMITATIONS / EXCLUSIONS). **We** will not waive that portion of the **outstanding balance** attributable to the original loan/lease amount exceeding 150% of the Manufacturer's Suggested Retail Price (MSRP) on new cars, or average retail book value on used cars, including all refundable items such as service contracts, warranties, insurance, or other such items.

PRIMARY INSURANCE REQUIREMENT: **You** agree to maintain comprehensive and collision damage insurance on the financed **vehicle** (described above) with a licensed Insurer (**primary carrier**) at all times, in an amount at least equal to the value of the **vehicle** as required by the **financial agreement** or applicable law, with **us** as an additional named insured or loss payee.

CANCELLATION: **You** may cancel this **DEBT CANCELLATION** agreement at any point during the original term of the **financial agreement**. Provided **your vehicle** has not suffered a **total loss**, **you** are entitled to a full refund within 30 days (in OH) or 60 days (in PA) of purchase. (SEE REVERSE FOR DETAILS)

LOSS DOCUMENTATION PROCEDURES: **You** must notify **our** Administrator or **us**, as soon as possible following the date the **vehicle** is determined to be a **total loss** (see Definitions on reverse) and provide **us** with the following: (1) a complete copy of the **primary insurance settlement** including worksheet; (2) a copy of the original **financial agreement**; (3) a copy of the accident / police report; (4) a copy of the Declarations Page for the Covered **vehicle**; (5) the payoff from the assigned Lender as of the **date of total loss**; (6) any other reasonable documentation requested by **our** Administrator or **us**.

REPORT YOUR TOTAL LOSS TO OUR ADMINISTRATOR:

Lawrence Simon & Company, PO Box 26298, Cleveland, OH 44126 (800) 752-3206

ADDITIONAL BENEFIT: By electing to purchase the **ADDITIONAL BENEFIT**, in the event of a **total loss** to the financed **vehicle**, **you** will receive an additional \$1,000 credit towards **your** new purchase, provided (1) that there is a difference between **your outstanding balance** and **your primary insurance settlement** on the **date of total loss**; (2) that **you** return to **us** to finance a replacement **vehicle**; (3) that **we** approve the subsequent **financial agreement** based on the then current loan underwriting guidelines. **THIS ADDITIONAL BENEFIT MAY NOT BE SOLD WITHOUT DEBT CANCELLATION COVERAGE AND IS NOT AVAILABLE IN ALL STATES**

ACCEPTANCE

I HEREBY ACKNOWLEDGE AND AGREE THAT I HAVE READ, UNDERSTAND AND ACCEPT ALL OF THE PROVISIONS AS PRINTED ON BOTH SIDES OF THIS CONTRACT. NO OTHER VERBAL REPRESENTATIONS HAVE BEEN MADE TO ME WHICH DIFFER FROM THESE WRITTEN PROVISIONS. I ACKNOWLEDGE THAT I MAY PURCHASE A DEBT CANCELLATION AGREEMENT FROM AN ALTERNATIVE SOURCE.

<input checked="" type="checkbox"/> YES I elect to purchase DEBT CANCELLATION coverage	<input checked="" type="checkbox"/> YES I elect to purchase the ADDITIONAL BENEFIT	COST
I understand that acceptance of this DEBT CANCELLATION agreement is voluntary, is not required to obtain credit, and that the Lender/Dealer/Lessor will retain a portion of the charge paid by me.		\$
Borrower / Co-Borrower Signature(s)		Date
Lender/Dealer/Lessor Signature		Date

<input checked="" type="checkbox"/> NO I do not elect to purchase DEBT CANCELLATION coverage or the ADDITIONAL BENEFIT .	This DEBT CANCELLATION agreement has been fully explained to me, and I have declined to purchase it. I will remain responsible for any outstanding balance under the provisions of the financial agreement .	
Borrower / Co-Borrower Signature(s)		Date

DEBT CANCELLATION AGREEMENT

DEFINITIONS

The following words and phrases have special meaning throughout this **DEBT CANCELLATION** Agreement and are printed in **Bold-Faced Type** when used.

DEBT CANCELLATION or **GAP** means the difference between the **Actual Cash Value**, as determined by **your primary carrier**, and the unpaid net balance on the loan.

Actual Cash Value means the cost of replacing damaged or destroyed property with comparable new property, less depreciation and obsolescence. (NADA retail)

Commercial Purposes means carrying goods or passengers for compensation. This includes, but is not limited to, using the **vehicle** as a Taxi, or for livery or delivery services where compensation is provided for those services.

Date of Total Loss means the date on which the covered **vehicle** is stolen or incurs physical damage that constitutes a **total loss**.

Financial Agreement means the document(s) evidencing the retail sale or loan relating to the **vehicle**.

Outstanding Balance means the monetary amount owed on the **date of total loss** under the **financial agreement**.

Past Due Amounts means any amount which remains unpaid after the due date stated in the **financial agreement** including any late charges or interest that has accrued due to late payments

Primary Carrier means the insurance company (ies) that (1) provides physical damage coverage on a Covered **vehicle** as required in **your financial agreement**, or (2) provides liability coverage to any person who has caused the Borrower's **vehicle** to incur a **total loss** and for which that person is legally liable.

Primary Insurance means comprehensive and collision insurance coverage as required under the **financial agreement**.

Primary Insurance Settlement means the amount received from **your primary carrier**, or the **Actual Cash Value** of the **vehicle** as of the **date of total loss**, whichever is greater.

Territory means the United States of America, its territories or possessions and Canada.

Total Loss means a direct and accidental loss of, or damage to the **vehicle** where: (1) the total cost to repair the **vehicle** is greater than or equal to the ACV of the **vehicle** immediately prior to the loss, as determined by the **primary carrier** or designated appraiser, or (2) the **vehicle** is stolen and not recovered within thirty (30) days, and declared a **total loss** by the **primary carrier**.

Vehicle means the Motor Vehicle/Powersport that is principally garaged and primarily used in the United States, its territories or possessions, or Canada that is stated in **your financial agreement** and is: (1) a private passenger automobile, van, light truck or recreational vehicle with a Gross Vehicle Weight (GVW) of less than 13,500 pounds, or a Powersport which includes any motorcycle, all-terrain vehicle (ATV), snowmobile or personal watercraft including boats, jet skis or sailboats.

CONDITIONS

LIMITATIONS No **DEBT CANCELLATION** Agreement shall be issued for (1) Motor **vehicles** with a market value of more than \$100,000, (2) Personal Watercraft with a market value of more than \$40,000, (3) a Motor **Vehicle** with a GVW of more than 13,500 pounds (4) a Motor **Vehicle** /Powersport used for **Commercial Purposes**, race or competition, (5) a Motor **vehicle** /Powersport that has been modified, customized, or is not listed in the NADA/Kelly Blue Book, (6) any **vehicle** financed through a balloon loan.

EXCLUSIONS We will not waive (1) any unearned interest or fees (2) any **past due amounts** or extended payment amounts greater than two (2) monthly payments (3) any late fees, charges or accrued interest after the **date of total loss** (4) the recoverable portion of any financial insurance charges (including, but not limited to **primary insurance** and credit insurance) (5) the recoverable portion of service contracts or other items included in the **financial agreement**. We will not waive any amount(s) if the **total loss** is (1) to a **vehicle** that is part of a fleet that is intended for use as a public or livery conveyance, or any **vehicle** with commercial use; (2) due to war, whether or not declared, invasion, civil war, insurrection, rebellion or revolution; (3) due to wear and tear, freezing, mechanical or electrical breakdown or failure; (4) resulting from forgery; (5) resulting directly or indirectly from any illegal or fraudulent act by the lessee or borrower; (6) to equipment designed for the recording, reproduction, receiving or transmitting of sound or signals unless the device is permanently installed in the covered collateral at the time the covered collateral is purchased; (7) caused intentionally by the lessee or borrower, including but not limited to racing or competitive driving; (8) due to conversion, embezzlement or secretion by any person in lawful possession of the covered collateral; (9) due to legal confiscation by a public official; (10) to other than the standard or optional equipment available from the manufacturer of the covered collateral. In addition, we will not waive any amount(s) if the **total loss**: (1) occurs prior to the effective date of this **DEBT CANCELLATION** Agreement or after the original expiration date of the **financial agreement**, or (2) occurs outside of the covered **territory**.

MITIGATION OF LOSS In the event of a **total loss**, you must do everything possible to recover the **vehicle**, and do all things reasonable to avoid or reduce any loss to and protect the **vehicle** from any further loss. Any further loss due to failure to protect the **Vehicle** is not recoverable under this **DEBT CANCELLATION** agreement. Any loss due to failure to maximize settlement from **your primary carrier** is not recoverable under this **DEBT CANCELLATION** agreement.

EXPIRATION OF CONTRACT This **DEBT CANCELLATION** agreement will expire without notice upon the earliest of: (1) the date **your financial agreement** terminates (2) the date that you prepay the entire balance or refinance **your financial agreement** (3) eighty-four (84) months after the date of this **DEBT CANCELLATION** agreement.

CANCELLATION To cancel this **DEBT CANCELLATION** agreement, you must notify our Program Administrator (Lawrence Simon & Co., Inc.) in writing. All refunds will be made payable to the Dealer or Assigned Lender at the time of cancellation. The Lender will then assume responsibility for reimbursing you by applying the refund directly to the **outstanding balance** of **your financial agreement**.

REFUND METHOD You will be entitled to a full refund within the first thirty (30) days (in OHIO) and within the first sixty (60) days (in PA) from the date of inception of coverage, provided no claim had been submitted. Other regulations or limitations may apply depending upon your state of residence.

TRANSFER You may transfer the remaining coverage under this **DEBT CANCELLATION** agreement if you sell **your vehicle**, and transfer **your financial agreement** to another individual prior to the expiration of this **DEBT CANCELLATION** agreement, provided the original terms (amount financed, term, APR, payment amount) of the **financial agreement** remain unchanged.

ASSIGNMENT In the event that a Covered **Vehicle** is sold, assigned, or transferred by you before the expiration date of the Financing Agreement for that **vehicle**, coverage under this policy will be terminated with respect to that Covered **Vehicle**. The premium paid for that Covered **Vehicle** may be returned in accordance with the Premium Refund Method (see above).