

QUESTIONS ABOUT GAP COVERAGE

803.796.0234
1stCooperative.com

CAR WRECKED? TRUCK STOLEN?

Does **GUARANTEED AUTO PROTECTION**, or **GAP**, cover theft?

Yes, this protection may cover theft in the event your car is stolen and not recovered.

Does **GAP** cover negative equity?

Yes. Negative equity is another term for the gap between what you owe on your auto loan and the vehicle's actual value.

Does **GAP** cover my deductible?

No, however, we provide an additional benefit in your coverage. If you purchase a replacement vehicle that the credit union finances within three months of the date your GAP claim is paid, your coverage will pay an additional \$1,000. So, while it's not paying your deductible directly, this additional benefit could be a big help.

Does **GAP** cover engine failure?

No. It is used only if your vehicle is a total loss from a covered accident and not for mechanical repairs.

Does **GAP** cover death?

No. It applies only to vehicle losses and not to bodily injuries, medical expenses, lost wages or funeral costs.

We're here to help
keep you on the road



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GUARANTEED AUTO PROTECTION (also known as Guaranteed Asset Protection) is a loan/lease deficiency waiver and is not offered as insurance coverage. It covers the difference between the actual cash value of your vehicle and the loan/lease balance as of date of loss, less delinquent payments, late charges, accrued interest, refundable service warranty contracts and other related charges.

The purchase of **GUARANTEED AUTO PROTECTION** is voluntary and cannot be required as a condition of credit approval.

This brochure is not a contract. For a complete list of benefits and rules, please refer to your GAP Waiver Agreement. This product is offered through Evans, Simpson and Associates.

DON'T FALL
INTO THE
GAP
between
what you owe and
what insurance
will pay





Bridge the gap with **GUARANTEED AUTO PROTECTION**

WHAT IF...

- You have an accident and your car is a total loss?
- Your truck is stolen and not recovered?

Would you be able to pay what you owe if insurance doesn't fully pay off the loan?

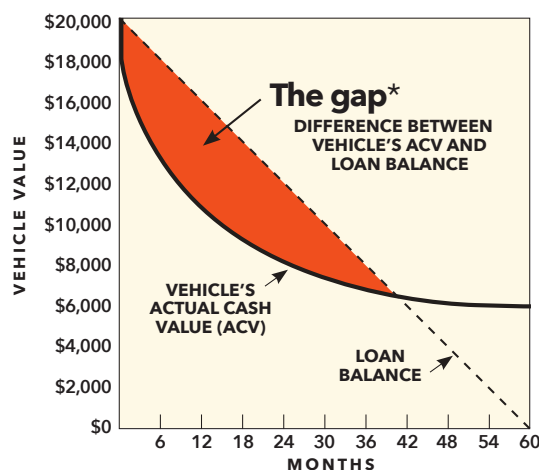
You would be liable to pay the difference between your insurance settlement and the outstanding balance on your loan or lease.

Because a new vehicle's value declines quickly and your loan is consistent month-to-month, there may be a "gap" between what you owe and your vehicle's worth during the first few years of ownership. It's a risk for you.

GUARANTEED AUTO PROTECTION covers the difference between the actual cash value of your vehicle and the loan/lease balance.

How the 'gap' happens

When you buy or lease a new car or truck, the vehicle starts to depreciate in value the moment it leaves the car lot. In fact, the Insurance Information Institute reports that most cars lose 20 percent of their value within a year.



Loan balance after one year	\$16,000
Your vehicle's actual cash value	\$11,000
Less your policy's deductible	- \$ 500**
Actual insurance settlement	\$10,500
You still owe	\$16,000 - \$10,500 = \$ 5,500
GUARANTEED AUTO PROTECTION pays	\$ 5,500

Without **GUARANTEED AUTO PROTECTION**, you would be required to pay \$5,500 in order to pay off your loan or lease balance.

* This example is for illustrative purposes only.

** Your deductible amount may differ. Refer to your auto insurance policy.

Additional benefit

The **GUARANTEED AUTO PROTECTION Plus** program provides an additional benefit to assist you in obtaining a replacement vehicle, and it is included in your GAP coverage.

If you purchase a replacement vehicle that the credit union finances within three months of the date your GAP claim is paid, your coverage will pay an additional \$1,000.

Ask us how to protect your loan

GAP coverage can be a wise choice if you:

- Finance a vehicle without a large down payment, creating a "gap" between actual value and loan amount
- Purchase or lease a new or slightly used vehicle
- Buy a vehicle of significant value or one that depreciates faster than the average vehicle
- Do not maintain cash savings to cover the difference between the amount you owe on your loan and the actual cash value if your car is stolen or totaled

