



GAP REPOSSESSION CLAIMS PROCEDURE **Great American Insurance Company**

This coverage is provided on all vehicle enrollments up to and including 6/30/2009

I. Notification Process:

A. Lender's Duties:

1. When the **Lender** has determined that a vehicle is to be repossessed, the **Lender** must notify AFG immediately so that all end of loan term remarketing will cease and desist until further notice.
2. If the **Borrower** brings the loan current and the Repossession proceedings are suspended, the **Lender** is to notify AFG immediately.
3. The **Lender** will follow their standard repossession process which includes: all written notifications to **Borrower**, vehicle pick-up, storage and resale.

B. Procedure:

1. After the vehicle is sold, complete the Great American Insurance Company / Auto Financial Group GAP Repossession Claim Form in full.
2. Within thirty (30) days of the sale of the vehicle, **Lender** will submit directly to the **Insurance Company (not AFG)** copies of:
 - a. Loan Contract
 - b. Documentation Supporting Date of Repossession
 - c. Bill of Sale
 - d. Actual Loan History Showing Loan Balance on Date of Repossession
 - e. Hypothetical Amortization Schedule for Conventional Loan
 - f. Documentation showing refunds for other products financed (i.e. Credit Life, Credit Disability, CPI, A & H, or service contracts)
3. **AFG Vehicle Coverage Verification:** AFG Customer Service : (877) 354-4234, Ext. 2
Fax claim form and supporting documentation to person indicated on claim form.

II. Definitions:

Amount Financed

The original financed amount on the **Contract**.

Automobile

A new or used passenger vehicle or light truck (less than 12,500 pounds GVW) produced by the original manufacturer to U.S. specifications, which is security for an **Eligible Contract**. Refer to Schedule B for vehicle age and type limits.

Balloon Note

A form of promissory note requiring repayment of little or no principal until the final payment.

Bordereau

A monthly report of new **Eligible Contract s** originated with all required fields per Schedule A provided by **You** to **Us** within 45 days of the **Origination Date**. If no **Eligible Contracts** have been completed in a given month, **you** must submit a **no enrollment** report as long as this Policy is in effect. All **Contracts** entered into by **You** must be enrolled under this Blanket policy, provided they meet the **Eligible Contract** guidelines

Borrower

The person(s); business(es), or other entity(ies), incorporated or unincorporated, named in the **Contract**.

Contract

A document that represents the retail loan agreement or lease between the **Lender** and the **Borrower** that creates, grants, or reserves a security interest in an **Automobile** pledged to **You** under an installment transaction. The **Contract** sets forth the terms, conditions, inception date and expiration date of the retail loan agreement or lease. Any changes to the **Contract** subsequent to the **Origination Date** do not apply to this Policy, unless accepted by **Us** in writing.

Company, We, Us, Our

The insurance company named in the Declarations.

Date of Loss

The date the **Automobile** is **Repossessed** by **Lender**.

Eligible Contract**A Contract:**

1. That is made in connection with the retail sale of an **Automobile** and related goods and services and that bears the genuine signature of the **Borrower** and all parties thereto; and
2. That meets the criteria for eligible contracts as outlined in Schedule B; and
3. That is originated by **Lender** during the policy period shown on the Declarations Page; and
4. That is reported to **Company** on the **Bordereau** within 60 days of the **Origination Date** of the **Contract**; and
5. For which full premium has been paid to **Company**; and
6. In which **You** have perfected a security interest in the **Automobile** under applicable state law; and

Whose **Origination Date** is during the policy period designated on the Declarations Page

Incurred Loss Ratio

The **Company's** calculation of incurred losses under this policy, divided by earned premium. **Company** will determine the earnings routine to be applied to premium.

Insured, You, Your

The organization listed as the Named Insured on the Declarations Page.

Lender

The holder, holder in due course, or assignee of an **Eligible Contract**.

Loss

The amount **We** will pay for any one **Eligible Contract** after a **Repossession** is the difference between:

1. The **Borrower's Actual Net Amount Owning**, less **Refundables**, under a **Balloon Note** and security agreement; and
2. A **Borrower's** hypothetical amount owing, less **Refundables**, under a fully amortizing loan with the same initial loan balance, term and number of days to first payment as the **Balloon Note**, as of the **Date of Loss**.

We will not pay for: 1) any remaining interest or finance charges due as of **Date of Loss**, 2) any deferred payments, 3) any payment past due by more than sixty (60) days as of the **Date of Loss**, 4) late charges, 5) lease prepayment provisions including early termination charges, or 6) any fees, including but not limited to, repossession fees.

The maximum amount **We** will pay is subject to the limits as outlined on the Declarations Page and in the Limits of Liability section of this policy.

Origination Date

The date the **Eligible Contract** is signed by the **Borrower**.

Refundables

The proceeds from the **Repossession** of **Automobiles**, including but not limited to:

1. Unearned insurance premiums collected (including but not limited to GAP, credit life, collateral protection insurance and vehicle service contracts).
2. Insurance proceeds collected by the **Insured** under any insurance policy in force relating to the **Eligible Contract**

Borrower's Actual Net Amount Owning

For any given **Eligible Contract** as of the **Date of Loss**, the **Amount Financed** less those portions of all payments received by the **Insured** which were allocable to repayment of the principal in accordance with the terms of the **Eligible Contract**.

Repossession

The lawful recovery of an **Automobile** which is security for an **Eligible Contract**, due to the **Borrower's** failure to meet a payment obligation on an **Eligible Contract**.

Servicer or Administrator

The entity displayed on the Declarations Page that is responsible for administering the **Eligible Contract**. This includes sending invoices, reporting, collecting payments, collecting **Bordereau** reports, etc.

Car Value Guide

The source **We** specify on the Declarations Page that lists the retail value of the **Automobile**. **We** reserve the right to change the approved **Car Value Guide** by providing **You** with thirty (30) days written notice prior to **Our** use of an alternate **Car Value Guide**.