



GAP Total Loss Claims Procedure Great American Insurance Company

This coverage is provided on all vehicle enrollments up to and including June 30, 2009.

I. Notification Process:

A. Lender's Duties:

1. When the **Borrower** notifies the **Lender** a vehicle is a total loss, the **Lender** must notify AFG immediately so that all end of loan term remarketing will cease and desist.
2. The **Borrower** must supply the **Lender** with: a copy of the accident report, and a copy of the Primary Insurance company settlement documentation showing a complete vehicle description, and a copy of the settlement check. No GAP Total Loss Claims will be accepted without these documents.

B. Procedure:

1. **Very important!** Do not assume this vehicle enrollment is with AFG. The **Lender** should immediately verify that this total loss is an AFG enrolled vehicle as soon as the **Lender** has received notification of the loss. In some cases, **Lenders** have had previous balloon note and/or leasing programs. Therefore, it is a good procedure to verify vehicle enrollment with AFG as soon as possible. This will eliminate unnecessary delays caused by filing a claim with the wrong **Company**. This verification can be done by entering the Portfolio Screen and accessing the AFG ITS System for a complete view of all vehicle enrollments for your institution.
2. Complete the Auto Financial Group GAP Total Loss Claim Form in full.
3. Within sixty (60) days of the total loss, submit directly to the **Insurance Company (not AFG)** copies of:
 - a. **Financing Contract**
 - b. Current Loan History
 - c. Accident Report
 - d. **Primary Carrier** Payoff Check
 - e. **Primary Carrier** settlement documentation showing vehicle options and breakdown of payment for total loss calculation.
 - f. Documentation of Borrower's Deductible
 - g. Documentation for refunds on other products (i.e. Credit Life and/or Disability, Service Contracts, etc.)
4. **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:

- A. **Actual Cash Value (ACV):** The retail value of the **Collateral**, on the **Date of Loss**, as listed in the National Automobile Dealers Association (NADA) Guide for the territory in which the **Collateral** is principally garaged. For a **Collateral** which has no NADA Retail Value available, or is located in territories where NADA is not customarily used, **ACV** will be determined using the best information available to the **Company**, which the **Company** reasonably believes accurately reflects the retail value of the **Collateral** and is customarily used as the basis for establishing **ACV** for **Collateral** in the territory of the **Collateral** location.
- B. **Borrower:** The natural person(s) or business (es), incorporated or unincorporated, named in the **Financing Contract**, receiving a loan or lease from the **Lender**.

- C. Capitalized Cost:** The total amount financed in the **Financing Contract** for the purchased or leased **Collateral Type** shown on the Declarations Page.
- D. Collateral:** Property or other chattels as described on the Declarations Page and described in the **Financing Contract**.
1. New **Collateral** is of the current or previous year with less than 6,000 miles, and not previously titled.
 2. Used **Collateral** is older than the previous year, and/or with 6,000 miles or more, and/or has been previously titled.
- E. Company:** The insurance **Company** named on the Declarations Page or Claim Form.
- F. Constructive Total Loss:** Direct and accidental damage to or theft of the **Collateral** which meets one of these criteria:
1. Either the total cost to repair the **Collateral** is greater than or equal to the **ACV** of the **Collateral** immediately prior to the **Date of Loss**; or
 2. The **Collateral** is stolen and is not recovered within thirty (30) days from the date a police report is filed.
- I. Date of Loss:** The date on which **Collateral** is reported stolen or incurs physical damage that is severe enough to constitute a **Constructive Total Loss**.
- J. Delinquent Payment:** Any payment, as described in the **Financing Contract**, which remains unpaid for the number of days shown on the Declarations Page after the due date stated in the **Financing Contract**, and interest or late charges which have accrued as a result of such **Delinquent Payment**.
- K. Financing Contract:** The contract which represents the financing agreement between the **Lender** and the **Borrower** for the purchase or lease of **Collateral**, and which sets forth the terms, conditions, inception date and expiration date of the financing agreement.
- L. Lender:** The lending or leasing institution named on the Declarations Page as Insured Lender.
- M. Loss:**
1. If the **Borrower** is covered by a **Primary Carrier** insuring at least the **ACV** of the **Collateral**, the **Loss** is defined as the difference between **NET PAYOFF** and the amount paid by the **Primary Carrier**. In the event that the **Borrower** is covered by a **Primary Carrier** insuring at least the **ACV** of the **Collateral**, the **Company** agrees to pay the **Borrower's** Deductible, up to the **Primary Carrier** Deductible Coverage Limit as described on the Declarations Page.
 2. If the **Borrower** is not covered by a **Primary Carrier** insuring the **ACV** of the **Collateral**, the **Loss** is defined as the difference between **Net Payoff** and **ACV** on the **Date of Loss**.
- N. Maximum Coverage:** The limit of coverage as provided by the Maximum Benefit on the Declarations Page.
- O. Net Payoff:** The amount of the **Lender's** interest as of the **Date of Loss**, as represented by the portion of the **Borrower's** unpaid balance, according to the original payment schedule of the **Financing Contract** that is secured by the **Collateral**. The **Net Payoff** will not include any **Delinquent Payments**, unearned interest and finance charges, or any unearned insurance premiums (including, but not limited to credit life and vehicle service coverage.) It will include any lease pre-payment provisions as provided in any **Financing Contract** when the provisions have been provided in writing to the **Company**.
- Q. Passenger Vehicle:** Any automobile, van, or light truck utilized for personal purposes, under Gross Vehicle Weight of 12,500.
- R. Primary Carrier:** The insurance **Company** that:
1. Is used by the **Borrower** to provide physical damage coverage on the **Collateral**; or
 2. Provides liability coverage to any person who has caused the **Borrower's Collateral** to incur a **Constructive Total Loss**, and for which that person is legally liable.