

The AAA Guaranteed Asset Protection (GAP) Waiver is designed to protect borrowers in the event their vehicle is totaled in an accident or stolen and not recovered, ensuring that the insurance settlement does not leave them with an outstanding loan balance. To be eligible for the GAP Waiver, the vehicle must be ten years old or newer, not salvaged or reconditioned, and the loan amount must be \$5,000 or greater. The cost of the GAP Waiver is a flat fee of \$299, which can be added to the loan principal or paid separately, with the understanding that financing this cost will incur interest. The maximum coverage amount is \$50,000, which includes up to two past due payments and a \$1,000 deductible. Benefits are activated when the insurance company declares the vehicle a total loss, and after the necessary documentation is submitted, AAA will apply the benefits to any remaining loan balance. The GAP Waiver can be canceled within 60 days for a full refund, but no refund is available after this period. The coverage terminates when the loan is paid off, the vehicle is no longer owned, or in cases of repossession. While AAA offers this product at a favorable rate for members, it is not mandatory to purchase through them. Exclusions include belts and hoses, and a total loss is defined as either the cost to repair exceeding the vehicle's actual cash value, the vehicle being stolen and not recovered within 30 days, or the primary insurance settling on a total loss basis. For further information, customers can refer to the Sample Disclosure and Agreement or contact AAA directly.