Gap

What Is GAP Insurance?

**… A Must Have in Today’s World**

What Does GAP Cover?

GAP pays the difference between the outstanding scheduled principal balance and the vehicle’s actual cash value, determined by your primary auto insurance carrier, on your auto loan

 or lease in the event of total loss or theft. GAP covers up to $1,000 of the borrower’s deductible if there is a ”GAP“ after the primary insurance settlement is paid.

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| Example |  |
| **Insurance Settlement**Actual Cash Value        16,000    20,000Insurance Deductible    -1,000   -15,000 | **Loan Settlement**Outstanding Loan Balance Insurance Settlement |
| Insurance Settlement   15,000       5,000 | GAP |

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| GAP Statistics |  |
| * According to Automotive News, the average new car will lose 60% of its value over 3 years of normal driving.
* The Insurance Information Institute estimates that one vehicle is stolen in the United States every 24 seconds.
* CCC Information Services, a firm that supplies the automotive claims and collision repair industries with collision statistics, tells us that 18% of vehicles involved in a collision will result in a total loss.
* Insurance companies report that on an annual basis, they write off 500,000 insured vehicles due to total loss, fire or theft.
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