

AUTO LOAN/LEASE GAP COVERAGE

This endorsement is a part of your Personal Auto Policy and it changes your policy. Except for the changes it makes, all other terms of the policy remain the same. Please read it carefully. This endorsement applies only when the number for this endorsement is noted on the Declarations.

PART IV: COVERAGE FOR DAMAGE TO “YOUR COVERED AUTO” is amended as follows:

1. If there is a total loss to “your covered auto” for which there is a loan (outstanding indebtedness under a finance agreement covering “your covered auto”), and Loan/Lease Gap Coverage is shown with a dollar amount for the limit that is greater than zero (0) in the Declarations for that specific “your covered auto” and there is a premium shown for Loan/Lease Gap Coverage in the Declarations for that specific “your covered auto”, “we” will pay any unpaid amount due on the loans for “your covered auto”, less the following:
 - A. The amount paid under **PART IV – COVERAGE FOR DAMAGE TO “YOUR COVERED AUTO”** of the policy; and
 - B. Any:
 1. Overdue loan payments at the time of loss;
 2. Cost for extended warranties, credit, life insurance, health, accident or disability insurance, or Lender’s Collateral Protection insurance purchased with or applied to the loan; and
 3. carry-over balances from previous loans or leases.

If there are other sources of recovery, “we” will pay only “our” share of the loss. “Our” share is the proportion that “our” limit of liability bears to the total of all applicable limits.

However, our payment under this coverage shall not exceed the lesser of:

1. the limit of liability shown in the Declarations for this coverage for “your covered auto”; or
2. 25% of the actual cash value of the “your covered auto” at the time of the total loss for that specific “your covered auto”.

2. If there is a total loss to “your covered auto” that is leased, and Loan/Lease Gap Coverage is shown with a dollar amount for the limit that is greater than zero (0) in the Declarations for that specific “your covered auto” and there is a premium shown for Loan/Lease Gap Coverage in the Declarations for that specific “your covered auto”, “we” will pay any unpaid amount due on the leases for “your covered auto”, less the following:

A. The amount paid under **PART IV – COVERAGE FOR DAMAGE TO “YOUR COVERED AUTO”** of the policy; and

B. Any:

1. Overdue lease payments at the time of loss;
2. Financial penalties imposed under a lease for high mileage;
3. Security deposits not refunded by a lessor;
4. Cost for extended warranties, credit, life insurance, health, accident or disability insurance, or Lender’s Collateral Protection insurance, purchased with or applied to the lease; and
5. Carry-over balances from previous loans or leases.

If there are other sources of recovery, “we” will pay only “our” share of the loss. “Our” share is the proportion that “our” limit of liability bears to the total of all applicable limits.

However, our payment under this coverage shall not exceed the lesser of:

1. the limit of liability shown in the Declarations for this coverage for “your covered auto”; or
2. 25% of the actual cash value of the “your covered auto” at the time of the total loss for that specific “your covered auto”.