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| **CONTACT INFORMATION** | | | | | | | | | | | | **APPLICATION # :** | | | |
| *Applicant Name (Last Name, First Name)* | | | | | | | | | | | | *Telephone Number* | | | |
| *Address* | | | | | | | *City* | | | | | *Province* | | *Postal Code* | |
| *Dealership Name* | | | | | | | | | | | | *Telephone Number* | | | |
| *Address* | | | | | | | *City* | | | | | *Province* | | *Postal Code* | |
| *Creditor* | | | | | | | | | | | | *Telephone Number* | | | |
| *Address* | | | | | | | *City* | | | | | *Province* | | *Postal Code* | |
| **COVERED VEHICLE INFORMATION** | | | | **Vehicle Type :** | | ❑ Automobile ❑ RV ❑ Powersport | | | | | | | | | |
| *New/Used* | *Make* | | | *Model* | | | | *Year* | | | *VIN* | | | | *Kilometers* |
| **FINANCING CONTRACT INFORMATION** | | | | **Financing Contract Type :** | | ❑ Loan ❑ Lease | | | | | | | | | |
| *Effective Date (m/d/y)* | | *Finance Contract Term (Max. 84 months)* | | | *Finance Contract Amount* | | | | | *Cash Down-payment and/or Equity Trade-in Amount* | | | | | *APR %* |
| **INSURANCE INFORMATION** | | | |  | |  | | | | | | | | | |
|  | | | **Policy Period** | | **Premium (before tax)** | | | | **PST** | | | | **Total Premium** | | |

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| **THE APPLICATION IS INTENDED BY THE APPLICANT AND THE INSURER TO BE AN OFFER ONLY, REQUIRING ACCEPTANCE BY THE BROKER. THE SIGNING OF THE APPLICATION DOES NOT BIND THE INSURER TO EFFECT INSURANCE. SHOULD A POLICY BE ISSUED BY THE BROKER ADMINISTRATOR, THE APPLICATION AND THE ATTACHED POLICY TERMS AND CONDITIONS WILL BE THE BASIS OF THE POLICY AND WILL BE DEEMED TO BE ATTACHED TO AND FORM PART OF THE POLICY ISSUED BY THE BROKER ADMINISTRATOR.**  **THE POLICY TERMS AND CONDITIONS CONTAIN CLAUSES WHICH MAY LIMIT THE AMOUNT PAYABLE.**  Should the Application be accepted by the Broker Administrator, the Applicant is the Insured under the Policy, the Policy Effective Date will be the Application Date, and the Policy will be provided to the Applicant by the Broker Administrator within twenty (20) business days of the Policy Effective Date. If not provided accordingly, the Applicant should contact the Broker Administrator.  Any alterations to the Application must be initialed by the Applicant and the Broker Administrator. The Policy Terms and Conditions cannot be altered.  The Policy is underwritten by Northbridge General Insurance Corporation (the “Insurer”). The Policy is sold by Reinsurance Management Associates, Inc. (the “Broker Administrator”).  The Broker Administrator has been engaged by the Insurer as the broker of the Application. The Broker Administrator acts, in all cases, under the Application on behalf of the Insurer. Notice to the Broker Administrator shall be deemed notice to the Insurer. |

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| **Declaration by the Applicant:** | | | | |
| * I hereby certify that all the information set out above is true and accurate to the best of my knowledge and understand that any misleading information or misrepresentation will void the Policy. * I am applying for insurance at the time of purchase or lease of the Vehicle. * I have read, accepted and understand the Policy Terms and Conditions as attached to the Application and have retained a copy of the Application and the Policy Terms and Conditions. * I understand that changes to the Application cannot be made regarding the insurance applied for after acceptance by the Broker Administrator. * I further understand that I am applying to contract with the Insurer and not with the Broker Administrator. | | * I understand that if the Financing Contract Amount exceeds $100,000, that any Claim made under the Policy will be subject to Coinsurance as described in the attached Policy Terms and Conditions. * I consent to the collection, use and disclosure of the above personal information for the purpose of processing and administering the Application, and for the administration of the Policy once in force. * I understand that all entries on the Application must be fully completed and I further understand that coverage is not in effect until the Broker Administrator has received the Application together with the required funds, and has accepted the Application. * I understand that the Broker Administrator is under no obligation to accept the Application. | | |
|  |  |  |  |  |
|  | **Applicant’s Signature** |  | **Date** |  |
| **Declaration by the Broker Administrator:** | | | | |
| * I hereby certify that the Applicant and the Vehicle qualify for the insurance applied for, that the information set out above is correct, that no representation has been made to the Applicant outside of the Policy Terms and Conditions, that the Applicant has been informed that it is applying to contract with the Insurer and not with the Broker Administrator, and that the Applicant has been given a copy of the Application and the Policy Terms and Conditions. | | | | |
|  |  |  |  |  |
|  | **Broker Administrator Signature** |  | **Date** |  |

## Definitions

**“Applicant”** means the Applicant as stated on the Application.

**“Application”** means the Application for Guaranteed Asset Protection (GAP) attached to the Policy.

**“Broker Administrator”** meansReinsurance Management Associates, Inc., authorized by the Insurer to handle broker and administrative functions on their behalf.

**“Claim”** means a claim by the Insured for coverage under the Policy.

**“Coinsurance Factor”** means the factor calculated by dividing $100,000 by the Finance Contract Amount stated in the Application.

**“Covered Vehicle”** means the licensed motor vehicle, watercraft, recreational vehicle or personal trailer, as described on the Application.

**“Covered Vehicle Purchase Price”** means, at the time of purchase of the Covered Vehicle, the Total Premium plus:

## In the case of a New Vehicle, the lesser of the MSRP of the Covered Vehicle or the actual price paid for the Covered Vehicle, exclusive of Down-Payment Amount, taxes, fees and charges; or

## In the case of a Used Vehicle, the lesser of the Canadian Black Book Retail Clean Value of the Covered Vehicle or the actual price paid for the Covered Vehicle, exclusive of Down-Payment Amount, taxes, fees and charges.

**“Dealer”** means the Dealership Name as stated on the Application.

**“Down-Payment Amount”** means the Cash Down-payment and/or Equity Trade-in Amount, as stated on the Application. Equity Trade-in Amount shall not include any financed or other amount owing on the vehicle.

**“Finance Contract”** means the original loan or lease agreement entered into by the Insured and the Finance Company, with regard to the Insured’s purchase or lease of the Covered Vehicle.

**“Finance Contract Amount”** means the Finance Contract Amount as stated on the Application.

**“Finance Contract Term”** means the Finance Contract Term as stated on the Application.

**“Finance Company”** means the Creditor as stated on the Application.

**“Insured”** means the Applicant as stated on the Application, if and only if the Application has been accepted by the Broker Administrator and the Policy has been subsequently issued to the Applicant.

**“Loss”** means any positive amount resulting from deducting (a) the actual cash value of the Covered Vehicle as of the date of Total Loss as determined by the Primary Policy Insurer, from (b) the Outstanding Balance Covered under the Finance Contract as of the date of Total Loss. It is further understood that the Outstanding Balance Covered under the Finance Contract as of the date of Total Loss shall not include any negative equity not pertaining to the Covered Vehicle, delinquent payments, future interest payments, GST/HST, extended warranties, service contracts, any other insurance and all past due charges, fines, costs or other miscellaneous expenses or fees under the Finance Contract as of the date of Total Loss.

**“Loyalty Credit”** means the loyalty credit;

* 1. received when the Insured purchases another vehicle from the Dealer after a Total Loss and;
  2. claimed and paid within 60 days of the Insurer’s receipt of satisfactory Proof of Loss

**“Outstanding Balance Covered”** means, at a particular point in time, the outstanding balance of the Finance Contract at such time, but only limited to that portion of such outstanding balance that applies to the Covered Vehicle Purchase Price.

**“Policy”** means the insurance policy of Guaranteed Asset Protection (GAP), and includes the Application**.**

**“Policy Period”** means the period of time during which the Policy is in force,and will be the lesser of 84 months or the Finance Contract Term.

**“Premium”** means the premium, as stated on the Application, payable under the Policy by the Insured to the Insurer.

**“Primary Policy”** means (a) the statutory personal automobile insurance policy, or (b) the personal watercraft property insurance policy, issued by the Primary Policy Insurer to the Insured, insuring the Covered Vehicle, and must include but not limited to direct physical loss or damage insurance coverage.

**“Primary Policy Deductible”** means the deductible as stated in the Primary Policy.

**“Primary Policy Insurer”** means the insurance company that issued the Primary Policy.

**“Proof of Loss”** means the written submission by the Insured to the Insurer, in the event of a Total Loss, of pertinent Claim information as required by the Insurer and will include but may not be limited to

* + 1. a completed copy of the proof of loss under the Primary Policy including police report;
    2. a copy of the Policy;
    3. a copy of the Finance Contract;
    4. a copy of the original loan or lease agreement
    5. the total loss settlement statement from the Primary Policy Insurer setting out the calculation of the actual cash value of the Covered Vehicle as of the date of Total Loss as determined and paid by the Primary Policy Insurer;
    6. the account from the Finance Company setting out the outstanding balance under the Finance Contract as of the date of Total Loss;
    7. for Down-Payment Amount, a copy of a bank statement showing cash payment or trade-in statement from the dealership showing total equity amount in trade in; and
    8. other documentation, report or information as requested by the Insurer in respect of the Claim.

**“Total Loss”** means an incident, covered under the Primary Policy and occurring during the Policy Period, of:

* + 1. direct physical loss or damage to the Covered Vehicle, caused by an event other than theft, where the cost of repair exceeds the Covered Vehicle’s actual cash value at the time of Total Loss as determined by the Primary Policy Insurer;
    2. theft of the Covered Vehicle, where the Covered Vehicle is not recoverable as determined by the Primary Policy Insurer.

**“Total Premium”** means the Total Premium as stated in the Application, payable under the Policy, and charged to the Applicant in respect of the Application. Such Total Premium is to be paid by the Applicant to the Broker Administrator, who will receive the Total Premium on behalf of the Insurer, at the time the Application is received by the Broker Administrator.

**“VIN”** means the unique serial or vehicle identification number of the Covered Vehicle as stated on the Application.

## Coverage and Limitations

In consideration of the payment of the Total Premium, subject to all of the terms and conditions of the Policy, and subject to a legitimate insurance claim being paid under the Primary Policy in event of a Total Loss in connection with a Claim, the Insurer agrees to indemnify the Insured for Loss, Down-Payment Amount (if applicable), Loyalty Credit and Primary Policy Deductible as stated on the Application and subject to the following limits:

## The maximum benefit for Loss is limited to $50,000;

## The maximum benefit for Loyalty Credit is limited to $500;

## The maximum benefit for Primary Deductible is limited to $1,000;

## The maximum total benefit payable under this Policy is limited to $50,000 combined for all benefits listed in Section 2(a) through to Section 2(c).

If the Insured has a Total Loss and the Finance Amount stated in the Application is greater than $100,000, the benefit payable for Loss under the Policy will be reduced using the Coinsurance Factor defined in Section 1. In such case, the benefit payable for Loss under the Policy will be the Loss multiplied by the Coinsurance Factor.

All benefits payable under the Policy will be paid to the Finance Company only. The Insurer will not have any duty to defend the Insured or others in any lawsuit or other judicial or administrative proceeding involving the Insured, or to pay or reimburse the Insured for the costs of defense of any such lawsuit or other judicial or administrative proceeding. By acceptance of the Policy, the Insured has warranted that it will maintain in force the Primary Policy during the Policy Period.

## Exclusions

The Policy does not cover or apply to any of the following, or to any liability or obligation arising in connection with any of the following:

## Benefits for Down-Payment Amount, if the Insured has selected “No” for Down-Payment Protection, on the Application;

## Any liability, cost, expense, damage, charge, assessment, exposure, or detriment of any description other than Total Loss;

## Any warranty, representation, promise, covenant, commitment, guarantee, or other duty or obligation not covered under Section 2;

## Any and all special, incidental, direct, indirect, consequential, exemplary, extra contractual, or punitive damages or liabilities of any description whatever including without limitation that which arise from any act or omission by the Insured, or any agent of the Insured;

## Any gross negligence, misrepresentation, willful or intentional misconduct, strict liability, or any fraudulent, dishonest or criminal act;

## Any Total Loss directly or indirectly caused by the Insured , or any individual with express or implied permission to possess the Covered Vehicle, while committing or attempting to commit a criminal act or if the operator of the Covered Vehicle was impaired at the time of Total Loss;

## Any Total Loss on a Covered Vehicle used for commercial purpose; or a Covered Vehicle utilized by government, municipal or police services, an exhibition or racing vehicle and a short term rental vehicle;

## Any Finance Contract Term greater than 96 months;

## Any Total Loss on a Covered Vehicle older than 10 years from date of manufacture

## Claim Procedures

Notice of Claim

## In the event the Insured wishes to make a Claim, the Insured must give written notice of Claim to the Insurer with all available information within 60 days after the date of Total Loss.

Proof of Loss

## The Insured must give the Proof of Loss to the Insurer within 60 days of providing the written notice of Claim to the Insurer.

Settlement of Claim

## The Insurer will adjudicate the Claim, and subject to the Insurer being liable under the Policy, within 60 days of the Insurer’s receipt of satisfactory Proof of Loss, the Insurer will pay the Finance Company or in the case of a Loyalty Credit, the Insurer will pay the Dealer.

## Termination

## This Policy may be terminated by the Insured by giving to the Insurer written notice stating when thereafter the termination shall be effective.

* 1. If terminated by the Insured, the Insurer will refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time specified in the Policy, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the Policy.

## This Policy may be terminated by the Insurer by giving to the Insured written notice stating when, not less than 15 days thereafter, such termination shall be effective.

## If terminated by the Insurer, the Insurer will refund the excess of premium actually paid by the Insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in this Policy

## The effective date of termination stated in the notice of termination shall become the end of the Policy Period. The time of termination shall be effective as of 12:01 a.m. Standard Time at the address of the Insured as stated herein.

## Notice of termination as provided above, shall be given upon deposit in the Canadian mails, registered and postage prepaid, and sent to the address of the Insured as the case may be. The 15 day period mentioned in paragraph (b) above begins to run on the day following the receipt of the registered letter at the post office to which it is addressed.

## General Provisions

Notices

## All notices, Proof of Loss, and surrender of the Policy will be deemed to be given:

## If to the Insurer, upon deposit in the Canadian mails, registered and postage prepaid, addressed to the Insurer’s address shown in the Policy; or

## If to the Insured, upon deposit in the Canadian mails, registered and postage prepaid, addressed to the Insured’s address shown in the Policy.

## The Insurer or the Insured may change any such address by delivery of a written notice to the other as provided above.

Subrogation

## In the event of any payment by the Insurer under the Policy, the Insurer will be subrogated to all of the Insured's rights of recovery therefore against any person or entity, and the Insured will execute and deliver to the Insurer such instruments, assignments, and papers as requested by the Insurer and do whatever is necessary to secure such rights and effectuate the Insurer’s exercise of such rights. The Insured will do nothing to prejudice or waive such rights

Recoveries

## All amounts recovered by the Insured for which the Insured has received benefits under the Policy will belong to the Insurer, and will be paid to the Insurer by the Insured up to the total amount of benefits paid by the Insurer.

Other Insurance

## Coverage provided under the Policy is in excess of any other applicable valid and collectible insurance or indemnity available to the Insured, and the Insurer will be liable only for the excess of the amount of loss over the amount covered by other insurance or indemnity after all other insurance or indemnity has been exhausted. The coverage provided under the Policy will not apply as contributory insurance and this non-contribution will prevail despite any non-contribution provision in other insurance or indemnity. The Insurer will indemnify the Insured only to the extent that a covered loss is not covered by such other insurance or indemnity.

Currency

## All amounts and payments under the Policy will be in Canadian dollars.

No Benefit to Third Parties

## Except as expressly provided by applicable law, the insurance afforded by the Policy is solely for the benefit of the Insured. In no circumstances will any person or entity other than the Insured (or such assignee) have any rights or be entitled to any benefits under the Policy.

Governing Law

## The Policy and all of its terms and conditions will be governed and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

Territory

## The Policy only applies to a Total Loss which occurs within Canada and the Continental United States of America.

Changes in the Policy

## No waiver or change of the terms of the Policy will be made except by endorsement issued to form part of the Policy and signed by the Insurer.

Severability of the Policy Provisions

## In the event that any provision of the Policy or any amendments hereto will be deemed invalid or void, in whole or in part, because it is now or may hereafter be against public policy or for any reason, the offending provision will be severable from the Policy and the remaining terms and provisions of the Policy will remain in full force and effect.