



**GLOBAL WARRANTY®**  
The ULTIMATE in driving protection

# Global Asset Protection "GAP"

## Terms & Conditions

### PART ONE: Limits of Liability

The amount We will pay under this Certificate will be the lesser of:

- A. The **MAXIMUM LIMIT OF LIABILITY** shown above; (inclusive of the **Customer Loyalty Credit**); or
- B. If the **Covered Vehicle** is protected by a **Primary Insurer**, the amount obtained by subtracting from the **Unpaid Net Balance** the aggregate of: (i) the amount of the primary insurance settlement, including any amount by which the **Primary Insurer's** deductible exceeds the Maximum Deductible Buyback reflected above; (ii) the **Actual Cash Value** of any portion of the **Covered Vehicle** that is not covered by **Your Primary Insurer**; (iii) the value of any unrepaired prior damage to the **Covered Vehicle**; (iv) any amounts received from guarantors of the **Financing Contract**; and (v) the value of any retained salvage with respect to the **Covered Vehicle**; or
- C. If the **Covered Vehicle** is not protected by a **Primary Insurer**, the amount obtained by subtracting from the **Unpaid Net Balance** the aggregate of (i) the **Actual Cash Value** of the **Covered Vehicle**; (ii) the value of any unrepaired prior damage to the **Covered Vehicle**; (iii) any amounts received from guarantors of the **Financing Contract**; and (iv) the value of any retained salvage with respect to the **Covered Vehicle**.

In no event shall We be responsible under either B or C above for any amount of loss resulting from an initial **Financing Contract** amount in excess of the Maximum Percentage of **Financing Contract** Amount above **Vehicle Value At Loan**. The **Customer Loyalty Credit** available under this Certificate, if applicable, will be in addition to the amounts specified in B and C above. The **MAXIMUM LIMIT OF LIABILITY** specified in A above is inclusive of the **Customer Loyalty Credit**. The maximum amount we will pay on account of the **Customer Loyalty Credit** is the **MAXIMUM CUSTOMER LOYALTY CREDIT** shown above.

### PART TWO: Definitions

**A. Actual Cash Value:** The retail value of the **Covered Vehicle** or any portion thereof with appropriate adjustments for mileage, optional equipment or unrepaired prior damage. If listed, the retail value will be determined from the most current, on the Date of Loss, Canadian Black Book Retail Guide.

**B. Administrator:** the administrative service provider whose contact information is Global Warranty, 471 Waterloo Street, London, Ontario N6B 2P4, 1-800-265-1519, csc@globalwarranty.com.

**C. Broker:** NFP Canada Corp., 184 Front Street East, Suite 601, Toronto, Ontario M5A 4N3, 1-888-404-0000.

**D. Car Rental Benefit:** We will pay you a daily benefit, for a maximum of ten (10) days, up to a combined

total of the maximum amount stated on page 1 of this **Insurance Certificate** following a **Total Loss** if:

(a) **Car Rental Benefits** of the Underlying Physical Auto Insurance policy have been exhausted; and (b) you enter into a rental agreement with a recognized licensed car rental company; and (c) you indicate that you are applying for **Car Rental Benefits** when you submit your claim under this Certificate. The **Car Rental Benefits** will apply for the period that begins the day all documents listed in **REQUIRED LOSS DOCUMENTS** are received by us. The **Car Rental Benefits** ends two days following the date that we adjudicate the claim under this Certificate. For the purpose of this section, the date the claim was adjudicated shall mean the date on which we approve the claim for payment, or determine that no claim was payable.

**E. Commercial Purposes:** Vehicles used for carrying goods or passengers for livery or delivery purposes or for compensation. Commercial Purposes shall also include vehicles used for any of the following purposes at the time of the accident or **Unrecovered Theft**: Uber, Lyft, ride sharing, security services, taxi cabs, buses, school buses, facilitation of transportation of commercial goods, police vehicles, emergency vehicles or the primary insurance policy for the vehicle is under any commercial vehicle policy. However, share-the-expense private passenger or car pool vehicles or personal use vehicles driven by one driver insured under a commercial vehicle policy are not considered commercial vehicles for **Commercial Purposes**.

**F. Constructive Total Loss:** A physical damage loss after which the cost to repair or replace the **Covered Vehicle** plus its salvage value exceeds the **Actual Cash Value**.

**G. Covered Vehicle:** The vehicle identified above, which must be a private passenger automobile, SUV or light truck of no more than 12,500 GVWR and: (1) of the current model year or (2) up to a maximum of seven (7) years older than the current model year. Dealer Demonstrator model must have less than 12,001 odometer kilometers at the time of purchase to be insured hereunder as a **Covered Vehicle**.

**H. Date of Loss:** The date the actual physical damage or **Unrecovered Theft** occurs. If such date is indeterminable, the **Date of Loss** shall be the date the **Primary Insurer** makes settlement and payment to You.

**I. Delinquent Payment(s):** Any payment, as described in the **Financing Contract**, which remains unpaid for a period of more than ten (10) days after the date stated in the **Financing Contract**.

**J. Financing Contract:** The contract which represents the financing agreement between You and the party providing financing for the purchase of the **Covered Vehicle**, and which sets forth the terms, conditions, inception date and expiration date of the financing agreement.

**K. Insured Borrower:** The party named as the "Insured Borrower" on this Certificate.

**L. Lender:** The party shown above as the Lender or any party evidenced on Your **Financing Contract** to which the loan is assigned.

**M. Customer Loyalty Credit:** A purchase credit is available up to the maximum stated on page one (1) of this **Insurance Certificate** to be applied, following a **Constructive Total Loss** or **Unrecovered Theft**, against the purchase price of a replacement new or used vehicle from the dealership that sold the **Covered Vehicle** to You. The **Customer Loyalty Credit** is paid directly by Us to the dealer, and is available only for a replacement vehicle purchased within 150 days of the payment of the **Primary Insurer's** settlement for the **Covered Vehicle**.

**N. Primary Insurer:** The insurance company that issues the insurance that is purchased or secured by You to provide physical damage coverage, as required in the **Financing Contract** on a **Covered Vehicle**. Additionally, the **Primary Insurer** shall be the issuer of any other type of coverage or policy protecting the **Covered Vehicle**, including any guarantors of the **Financing Contract**, contingent upon the failure or absence of Your coverage.

**O. Unpaid Net Balance:** The amount owed by You, in accordance with the terms and conditions of the **Financing Contract**, resulting from early termination of the **Financing Contract**. This amount may not include any unearned interest; loan charges; late charges; any **Delinquent Payments**; any uncollected service charges; refundable prepaid taxes or fees; or other proceeds You may duly recover by cancelling insurance coverage, service contracts or warranties; disposition fees, termination fees in excess of \$500, penalty fees, or other items added to the initial **Financing Contract** balance after the inception of the **Financing Contract**. If two or more pieces of collateral are secured under a **Financing Contract**, We will not pay more than the proportionate share of the total **Unpaid Net Balance** that the balance applicable to the **Covered Vehicle** represents to the total **Financing Contract** balance. The **Unpaid Net Balance** also excludes loans or special finance offers which may waive or delay or pull ahead payment of principal or interest.

**P. Unrecovered Theft:** A **Covered Vehicle** reported as stolen to both the police and the **Primary Insurer** who have made every effort, yet have failed to find and return the **Covered Vehicle**. A **Covered Vehicle** that is confiscated or improperly taken or secreted by You shall not be deemed an **Unrecovered Theft** loss.

**Q. Vehicle Purchase Price:** The selling price of the vehicle as it appears on the bill of sale (net of any dealer discounts, taxes, freight, PDI and manufacturer incentives).

**R. Vehicle Value at Loan:** For a new **Covered Vehicle** this is determined based on the **Vehicle Purchase Price**,

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and for a used **Covered Vehicle** this is determined based on the Canadian Black Book (CBB) Official Used Car Guide retail book value for used vehicles inclusive of add-ons.

## **PART THREE: Exclusions**

This **Certificate** does not cover loss:

- A.** Occurring prior to the effective date of this **Certificate**.
- B.** Due to war, whether or not declared, any type of invasion, civil war, insurrection, rebellion or revolution.
- C.** Resulting directly or indirectly from any type of dishonest, fraudulent, criminal, or illegal act or arising from any intentional act committed by You.
- D.** Due to or resulting from mechanical or electrical breakdown or failure.
- E.** Resulting from the vehicle being operated, used, or maintained in any race, speed contest or other similar type of contest.
- F.** If the **Covered Vehicle** was ever titled as salvage or any type of rebuilt vehicle.
- G.** If the **Covered Vehicle** is used for any **Commercial Purposes**.
- H.** To any recreational vehicles (RV), motorcycles, ski-dos, snowmobiles, scooters, or any type of personal watercraft, trailers, and special usage optional equipment, accessories and body components.
- I.** For any amounts deducted from the **Primary Insurer's** settlement due to wear and tear, prior damage, unpaid insurance premiums, salvage, towing and storage and other condition adjustments.
- J.** Attributable to other than the standard or optional equipment available from the manufacturer of the **Covered Vehicle**, including but not limited to: special carpeting, furniture, bars, audio, video or data equipment, cooking and sleeping facilities, customized paint, or any equipment installed to overcome a physical handicap. Factory approved conversion packages and dealer installed options usually included in used car value guidebooks are not excluded.
- K.** If You: (1) intentionally concealed or misrepresented any material fact; (2) engaged in any fraudulent conduct; or (3) make a false statement in submitting a loss.
- L.** Due to **Unrecovered Theft** unless a police report has been filed.
- M.** Due to confiscation.
- N.** If the loss is not reported within ninety (90) days of settlement with the **Primary Insurer** or, should there be no **Primary Insurer**, within ninety (90) days of the **Date of Loss**.
- O.** Occurring after the expiration of any redemption period following the repossession or surrender of the **Covered Vehicle**.
- P.** If the term of the **Financing Contract** exceeds 96 months.

## **PART FOUR: Conditions**

**A. CERTIFICATE PERIOD, TERRITORY:** This **Certificate** shall be effective from the Inception Date shown above, and will only cover loss that occurs during the original **Financing Contract** term of a **Covered Vehicle** in Canada, its territories and the United States and its territories and possessions.

### **B. FINANCING CONTRACTS WITH NON-UNIFORM PAYMENT TERMS:**

1. If the first monthly payment is due more than forty-five (45) days after the date of the **Financing Contract**, for the purpose of loss settlement the **Financing Contract** shall be amortized as if the first monthly payment were due within forty-five (45) days.
2. If the **Financing Contract** is not designated above as a Balloon Loan, for the purpose of loss settlement the **Financing Contract** with non-uniform payments shall be amortized on a simple interest basis over the stated **Financing Contract** term to a zero balance using the lowest interest rate applicable at any time during the **Financing Contract** term and equal monthly payments.
3. If the **Financing Contract** is designated as a Balloon Loan above, for the purpose of loss settlement the **Financing Contract** shall be amortized using the method below that results in the lower balance at the time of the **Constructive Total Loss or Unrecovered Theft**: (a) The amortization schedule specified in the **Financing Contract**; or (b) Amortization to the residual value of the **Covered Vehicle** as shown in the most current edition of the *Automotive Lease Guide (ALG)* in use on the **Financing Contract** effective date.

**C. MITIGATION OF LOSS:** You must do all things reasonable and practical to avoid or reduce any loss under this **Certificate** and protect the **Covered Vehicle** from further loss. You must also take reasonable measures to ensure that the maximum amount of **Actual Cash Value** of a **Covered Vehicle** is paid by the **Primary Insurer**. Any loss due to Your failure to protect the vehicle or maximize settlement from the **Primary Insurer** shall not be recoverable under this **Certificate**.

**F. ASSIGNMENT:** This **Certificate** shall not be assigned, ceded or transferred by You.

**G. TERMINATION OF THIS CERTIFICATE:** This **Certificate** will terminate on the date that any of the following events occur: 1. the date your **Financing Contract** is scheduled to terminate; 2. the date Your **Financing Contract** is terminated prior to its maturity date; 3. The date Your **Covered Vehicle** is sold, assigned or transferred by You before the expiration date of the **Financing Contract**; 4. expiration of any redemption period following the repossession or surrender of the

**Covered Vehicle**; or 5. the date the **Financing Contract** is prepaid or the **Financing Contract** is refinanced.

**H. ACTION AGAINST INSURER:** Every action or proceeding against the **INSURER** for the recovery of insurance money payable under this contract is absolutely barred unless commenced within the time set out in the Insurance Act or other applicable legislation in a given province.

**I. CUSTOMER LOYALTY CREDIT:** To be eligible for the **Customer Loyalty Credit** under this **Certificate**, following a **Constructive Total Loss or Unrecovered Theft** of the **Covered Vehicle**, You must purchase a replacement new or used vehicle, from the dealership that sold the **Covered Vehicle** to You, within 150 days of the payment of the **Primary Insurer's** settlement for the **Covered Vehicle**. The **Customer Loyalty Credit** is paid directly by Us to the dealer.

## **PART FIVE: Required Loss Documents**

For each loss You must provide the following and any other additional information the **Administrator** may request:

- (1) verification of the primary insurance deductible and **Date of Loss**;
- (2) a copy of the original bill of sale, a copy of the primary insurance settlement worksheet and a copy of the payment or cheque made to You;
- (3) verification of any other insurance or any other type of recoverables (including sale of salvage);
- (4) verification of any other refundable amounts;
- (5) a copy of the police report, in the case of an **Unrecovered Theft**;
- (6) copy of your **Financing Contract** including Your name and address, account number, amount borrowed, interest rate, payment amount, **Financing Contract** history and calculation of **Unpaid Net Balance** amount;
- (7) a signed copy of the **Global Asset Protection Insurance Certificate**;
- (8) in the case of a **Customer Loyalty Credit**, you must provide Us with a bill of sale for the purchase of the replacement vehicle within 150 days of the payment of the **Primary Insurer's** settlement for the **Covered Vehicle**; and
- (9) a copy of payment to Authorized Rental Car Agency, if you have a car rental claim.

### **Administrator:**

Global Warranty  
471 Waterloo Street  
London, ON N6B 2P4  
1-800-265-1519  
csc@globalwarranty.com