

Gap Q&A

What is Gap Coverage?

“If your vehicle is totaled or stolen and not recovered, Gap will pay the difference between your scheduled loan balance and your insurance company settlement so you won’t have to come up with money out of pocket to pay for a car that no longer exists.”

What do you mean, ‘scheduled loan balance’?

“Your ‘scheduled loan balance’ is the balance on your loan assuming you make your payments in full and on time according to your loan agreement.”

Why would I need Gap Coverage if I have my own insurance?

“Your primary insurance covers the value of your vehicle and not what you may or may not owe on that vehicle. If you are financing more than 70% of the retail value of your vehicle for more than 3 years, you are probably upside down/negative equity/owe more than what it’s worth in the eyes of your insurance company.”

My insurance agent told me I didn’t need Gap...

“I would get in writing if I were you and if you can then you should be okay.”

Can I get it later?

“You may add Gap Coverage at any time but your coverage will be reduced because the value of your vehicle will not be what it is today.”

If I get it today can I cancel it later?

“You can cancel your coverage within the first 60 days and you will receive a full refund.”

How long will the coverage last?

“Coverage lasts for the original loan term. Changes to the loan will affect coverage and may require the purchase of another policy.”

Can I buy Gap from the credit union if I choose to finance elsewhere?

“No, your loan must be with the credit union.”

Is it transferrable?

“Yes, but only to the joint borrower.”