

# Guaranteed Asset Protection

## Protect more members.



**YOUR MEMBERS MIGHT THINK THEIR AUTO INSURANCE PROVIDES ALL THE PROTECTION THEY NEED IF THEIR VEHICLE IS TOTALED OR STOLEN AND NOT RECOVERED. They could be in for an unpleasant surprise.**

While auto insurance covers the replacement value of the vehicle, your members are still liable for the difference between the insurance settlement and their remaining loan balance - which can amount to thousands of dollars.

With vehicle depreciation, loan terms extending, and the cost of repairs rising, chances that a “gap” will occur, between the remaining loan balance and insurance settlement, is greater than ever.

When you offer Guaranteed Asset Protection (GAP) to your members, you can help them worry less about how they’ll pay off their loan and replace their vehicle if it’s totaled. And, GAP can help your credit union manage your risk by reducing charge-offs, delinquencies and collection fees...all this while helping generate valuable non-interest income.



**New vehicles depreciate, on average, 20% after 1 year.<sup>1</sup>**



**Loan terms extending up to 96-months.<sup>2</sup>**



**U.S. car repair costs up 6.5% in 2018.<sup>3</sup>**

### Add Deductible Assistance<sup>4</sup> to Your GAP Program

Deductible Assistance is designed to cancel part of your member’s loan or loan payment when a deductible is occurred through a comprehensive or collision claim with their primary auto insurer.

- Available when GAP is purchased
- Available limits of \$500 or \$1,000 per occurrence
- Single or multi-vehicle options (varies by state)

### Optimize Your GAP Program with Enhanced Analytics

Identify key opportunities to optimize and efficiently reconcile your GAP program when you sign-up for our on-demand GAP reports that refresh nightly.

- Provides data needed to understand your credit union’s GAP production and make informed business decisions.
- Saves time and increases accuracy in reconciling GAP, making it easier to manage your business.

### Greater Efficiency For Your Credit Union

- Protection Advisor® Expert, our web-based point-of-sale tool, makes it easier for your lenders to cross sell and deliver GAP and other payment protection products to your members. Add connectivity with your loan origination system to save lenders time, reduce errors and increase efficiency.
- Easy to administer with Contractual Liability Policy (CLP) premium billed using electronic funds transfer (EFT).
- GAP claim cycle time averages 5 days, from initial submission to completion.<sup>5</sup>



## Enhance your vehicle lending program with GAP to add member value and help manage your lending risk.

### ADD VALUE FOR MEMBERS



Choose your GAP program features to complement your members' lending profile: (options may vary by state)

- Up to 150% loan-to-value ratio
- 90-day trial period, no deductions for wear & tear, prior damage or excess mileage
- No time limit to file claims
- Deductible Assistance<sup>4</sup>
- Consistent vehicle valuation - use NADA or Kelley Blue Book as your source for both eligibility and lending

### GROW YOUR PROGRAM & YOUR ENHANCEMENTS



As your credit union's commitment and sales increase, more enhancements may be available to further boost your program and further strengthen your financial results. Talk with your sales executive for details.

- More skipped payment options
- Balloon loan and leasing options
- Up to 120 month term maximum
- More GAP Plus benefit options

### SUITE OF SOLUTIONS



GAP is just one component of CUNA Mutual Group's Lending Suite. Each lending solution is effective on its own. But, you can achieve more when our products work together including LOANLINER<sup>®</sup> Document Solutions, loanliner.com<sup>®</sup>, Lender Development Program<sup>®</sup>, Protection Advisor<sup>®</sup> Expert, Payment Protection and Mechanical Repair Coverage. Credit unions with more products from CUNA Mutual Group's Lending Suite enables efficiency and drives results so you can protect more loans, more ways.

### LENDING RESOURCE CENTER



We're committed to providing your credit union with the resources to support your GAP program. Our exclusive online Lending Resource Center houses important product information from basics to compliance best practices, product administration, member marketing materials, on-demand training, job aids and more.

**For more information call your CUNA Mutual Group sales executive at 800.356.2644.**



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<sup>1</sup>Car Depreciation: How Much Value Will a New Car Lose? CARFAX, Nov. 9, 2018. <sup>2</sup>State of the Automotive Finance Market, Experian, March 2019. <sup>3</sup> 2019 Vehicle Health Index - CarMD <sup>4</sup>Deductible Assistance subject to state availability. <sup>5</sup>GAP 2018 Year-to-date Internal Reports, CUNA Mutual Group, May 2018.

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