

GAP Insurance For Your Car

Gap insurance, more accurately called gap protection, covers the difference between what you owe on your car and how much the car is worth. Not everyone needs gap insurance (also called "totaled insurance"), however. Do you? Learn the basics of gap protection: What it is, who needs it and how to buy it.

What is GAP Insurance?

If your vehicle is a total loss through either theft or accident, will you receive full compensation from your existing insurance policy? Probably not. In fact, the value an insurance company places on your car is often much less than the outstanding loan balance you owe. This difference between the amount you owe, less your deductible, and what the insurance company pays for your wrecked or stolen vehicle is the "GAP." If your car was declared a total loss, you would be responsible for this "GAP" -- which can amount to thousands of dollars! The solution, GAP Protection. GAP Protection will pay off your remaining loan balance when the insurance settlement for a total loss is less than what you owe, minus any deductible, past due payments and fees.

Who needs it?

You don't need to consider gap protection if, during your loan term or lease, you will not owe more than your car is worth. To determine whether or not you are likely to be upside down and for how long, research the expected depreciation rate for your car. [Kelley Blue Book](#) online will tell you how much last year's model is worth today.

Buying GAP Protection

For more information and a free brochure, complete HRCCU's on-line Brochure Request Form. Or call, visit or fax any of our five locations in Corinth, Glens Falls, Cohoes, Hudson Falls and Troy.

The products offered:

- 1. Are not federally insured.***
- 2. Are not obligations of the Credit Union.***
- 3. Are not guaranteed by the Credit Union or any affiliated entity.***
- 4. Involve investment risks, including the possible loss of principal.***