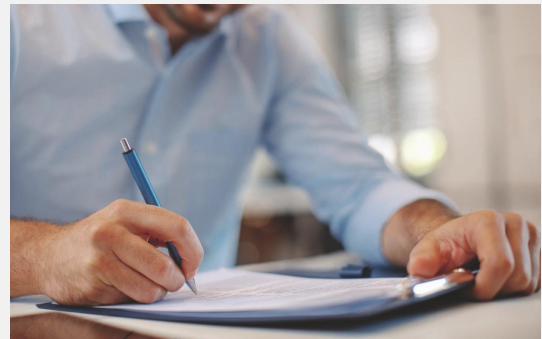


The Road Ahead



Everybody knows that auto insurance rates have gone up and is now a major part of the "affordability problem" for owning a vehicle. Here are just two of the startling findings of the attached *2024 US Auto Insurance Trends Report*.

- Risky driving behavior rises among younger demographics as distracted driving violations by Gen Z increased 24% from 2022 and a staggering 66% in comparison to 2019.
- In 2023, more than a quarter (27%) of collision claims were deemed Total Losses, requiring payouts and consumers to replace a vehicle or find alternate transportation.



Letters of Guarantee (LOG) & Legal Jeopardy

How does the routine and common practice of signing a Letter of Guarantee with your borrower's physical damage insurance company become a legal nightmare for you? Simple. You signed up for it.

As is standard procedure, when a borrower totals his or her car, the insurance company sends the lien holder a summary letter and a document called a Letter of Guarantee (LOG). The Letter of Guarantee details what they will pay in return for releasing the title of the totaled auto. This letter is written by the insurance company and is, naturally, designed to protect their interests; however, it has the potential to jeopardize the interests, legal and financial, of you and your borrower - if you sign it!

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The bottom line is that more people are driving faster, not paying attention and then hiring attorneys when things go bad. Maybe it is time to let the robot's drive, what could go wrong?

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Auto Lending Industry Outlook

The insightful article by *CNN Underscore* sheds light on the valuable information and advice that borrowers are seeking when it comes to auto loans and the factors that influence their determination. Click the button below to delve into the full article and gain a deeper understanding of this important topic.

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GAP Claim Profile

Frost Clients Have Great GAP Benefits!

This is a real-life example why Lenders need to have great GAP benefits for their borrowers.

This Credit Union member financed his Mercedes on March 19, 2024, and 4 days later went off the road and hit a utility pole. The damage was minimal, but just enough to deploy the front airbags. Bang....Total Loss!

That was a bad day, but this Lender has great GAP coverage limits, and GAP paid off the remaining balance of \$12,887.01 that was not covered by his insurance. Many GAP programs would have left this member with a big loan balance because they have low LTV coverage limits of 125% or 130%. This loan was made at an LTV of 140.05% and he was fully covered because Frost clients all have coverage up to 150%. If you are approached by some other GAP provider that recommends lowering your LTV% limits to help save a few dollars, you might want to ask them about the Santander settlement in 2018. Sometimes



Why Are Vehicles Used "For Work" Considered Commercial?

Any vehicle that is in an individual's name but is driven "FOR" work (not just to and from work) is considered commercial use. This is because of the higher risk and exposure that these types of vehicles have. A few examples of a personal vehicle used for commercial purposes are:

- Driving for Uber, Lyft, DoorDash or other similar types of services.
- Vehicle being used for delivery of pizza, mail, grocery or other delivery type services.
- Vehicle being used to haul equipment and trailer for landscaping, construction or similar types of services.

For more information or for a copy of our Commercial Use Guide please contact our support team at CS@visualgap.com.

Upcoming Frost Industry Events

- **August 5** - Ohio CU Foundation Golf Classic
- **October 2-5** - Indiana Credit Union League Annual Conference
- **October 25** - Ohio CU Foundation Clay Classic

being cheap can get very expensive. How quickly we forget.

Contest Corner

Summer Contest

1st Prize - Commercial Slushy Machine

2nd Prize- 7 Piece Patio Dining Set

3rd Prize - Inflatable Outdoor Theater Kit

4th Prize - Cordless Misting Fan

5th Prize - Outdoor Propane Deep Fryer

6th Prize - Giant Golf Darts



[Click Here for Current Contest Prizes](#)

Last Month's Winners

1st Prize - Permasteel Removable Basin 80Qt Cooler

Winner - Shanna Menard - St. Louis Community Credit Union, MO

2nd Prize - Hanging Chaise Lounge Chair

Winner - Britney Bell - Max Credit Union, AL

3rd Prize - Paddle Smash Outdoor Game

Winner - Jami Painter - United States Senate Federal Credit Union, VA

4th Prize - Portable Collapsible Double Decker Wagon

Winner - Samantha Ross - Rogue Credit Union, OR

5th Prize - RTIC Ultra Tough Tote

Winner - Anthony Marcoux - Atlantic Federal Credit Union, ME

You can win great prizes by entering our VisualGAP contests! You will be awarded an entry in the contest each time you sell a GAP waiver. The more GAP waivers you sell through VisualGAP, the more opportunities you have to win.

For fifty years, our success has been based on "listening to our clients and understanding their needs". Our goal is to become a trusted business partner by delivering solutions that combine old fashioned personal service with best of market products.

~ Frost Team



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