



Effective April 12, 2020, the state of New Jersey will require a new disclosure for buyers at closing. Before the retail installment sales contract is signed, a dealer must give the buyer a separate disclosure about collateral protection insurance. The disclosure is required if the Retail Installment Sales Contract requires the buyer to insure the vehicle and if the buyer fails to do so, the lender can buy collateral protection insurance at the buyer's expense.

If you have any questions about the new disclosure requirements, please consult with your legal counsel.

Leaders Financial will provide this form when sending electronic contracts and physical copies when visiting the office. We will also be able to e-mail this form to you.

Thank you,

Leaders Financial Management

COLLATERAL PROTECTION INSURANCE WARNING

Seller / Lessor / Lender Name and Address	Buyer(s) / Lessee(s) / Borrower(s) Name(s) and Address(es)	No. _____ Date _____
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WARNING

UNLESS YOU PROVIDE US WITH EVIDENCE OF THE INSURANCE COVERAGE AS REQUIRED BY OUR CREDIT AGREEMENT, WE MAY PURCHASE INSURANCE AT YOUR EXPENSE TO PROTECT OUR INTEREST. THIS INSURANCE MAY, BUT NEED NOT, ALSO PROTECT YOUR INTEREST. IF THE COLLATERAL BECOMES DAMAGED, THE COVERAGE WE PURCHASE MAY NOT PAY ANY CLAIM YOU MAKE OR ANY CLAIM MADE AGAINST YOU. YOU MAY LATER CANCEL THIS COVERAGE BY PROVIDING EVIDENCE THAT YOU HAVE OBTAINED PROPER COVERAGE ELSEWHERE.

YOU ARE RESPONSIBLE FOR THE COST OF ANY INSURANCE PURCHASED BY US. THE COST OF THIS INSURANCE MAY BE ADDED TO YOUR LOAN BALANCE. IF THE COST IS ADDED TO THE LOAN BALANCE, THE INTEREST RATE ON THE UNDERLYING LOAN WILL APPLY TO THIS ADDED AMOUNT. THE EFFECTIVE DATE OF COVERAGE MAY BE THE DATE YOUR PRIOR COVERAGE LAPSED OR THE DATE YOU FAILED TO PROVIDE PROOF OF COVERAGE.

THE COVERAGE WE PURCHASE MAY BE CONSIDERABLY MORE EXPENSIVE THAN INSURANCE YOU CAN OBTAIN ON YOUR OWN AND WILL NOT SATISFY NEW JERSEY'S MANDATORY LIABILITY INSURANCE LAWS.

Buyer / Lessee / Borrower

Seller / Lessor / Lender

By: _____ Date _____

By: _____ Date _____

By: _____ Date _____

By: _____ Date _____