

Payment Protection Plan

**Credit Disability
Credit Life**

Product & Presentation Specialty License Training Program



Associate Member

MINNESOTA LIFE



Credit Insurance Specialty License Training Program

To comply with the training requirements
set forth in the Section 1 (d) of Art. 21.09,
Texas Insurance Code

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Agenda

Credit Life Insurance

Disability Insurance

Offering Credit Insurance

Life Insurance vs. Credit Life Insurance

Credit Life and A&H Underwriter

SECURIAN FINANCIAL GROUP, INC.

- Minnesota Life Insurance Company
- Securian Casualty Company
- Allied Solutions
- Cherokee National Life Insurance Company

CONDUCTING BUSINESS IN

- 49 States
- Guam
- District of Columbia
- Argentina, Panama and Puerto Rico
- Denmark
- Canada and the United Kingdom

OUR FINANCIALS

- Insurance in Force – \$945,000,000,000
- Assets – More than \$38,000,000,000
- One of the Largest Insurance Companies in America
- Rated “A+” Superior by A.M. Best Report

Introduction

To protect your customer and make sure your **BANK** stays in **COMPLIANCE**, you must offer the Payment Protection Plan 100% of the time to 100% of your customers.

This manual provides information that will enable you to offer the Payment Protection Plan with confidence to 100% of your customers who apply for a loan.

What is Payment Protection Plan?

The Payment Protection Plan is a credit insurance plan that pays off the loan or makes the monthly loan payments in the event of a covered death or disability.

Program Objectives

- Understand Credit Life and Disability Insurance
- Describe features of credit life and disability
- Understand how credit insurance benefits the borrower
- Compare coverage to other life insurance products
- Present the Payment Protection Plan accurately and confidently to your customers
- Respond to commonly asked questions about the Payment Protection Plan
- Understand how to handle objections

Credit Insurance Overview

(Credit Life & Disability)

What is Credit Insurance?

Credit insurance is term insurance that is purchased in conjunction with a consumer credit transaction that pays the insured's covered loan balance in the event of his or her death. You must inform your customer that the purchase of credit related products is not a condition of the extension of credit.

Common Characteristics

- Coverage matches the credit transaction, that is, there is usually coverage for the exact term and amount of the loan.
- The lender is the first beneficiary when the debt is repaid in the event of a claim.
- Any benefits over the amount necessary to repay the debt will be paid to the customer or their beneficiary, if there is no beneficiary designated, the estate.
- A single premium is paid at the inception of the insurance. The premium is financed with the loan.
- The same premium rate is charged to every customer of a financial institution regardless of age, gender or occupation.

Characteristics of Credit Insurance

(Credit Life & Disability)

➤ **Applicant's Statement of Insurability**

Coverage is only available to applicant's that are able to certify the parameters of good health. The health statement does **NOT** include questions relating to **high blood pressure** and **diabetes**. Disability applicants must be working for wages or profit for at least 30 hours or more per week on the effective date of coverage. If the customer cannot sign the good health statement and answer "**NO**" to the health question, **DO NOT** issue them the coverage, they are **NOT** eligible.

➤ **Rates and Policy**

Rates and forms are filed with and approved by the Texas Department of Insurance.

➤ **Beneficiary Designation**

The creditor is the first beneficiary. If benefits exceed the amount necessary to pay off the debt, the excess is paid to a named second beneficiary. In the absence of a second named beneficiary, the debtor's estate becomes the beneficiary.

➤ **Terminations and Refunds**

Coverage automatically terminates and the debtor is entitled to a refund of any unearned premiums in the event the loan is prepaid, renewed or refinanced prior to the scheduled date of maturity.

Credit Life General Information

Single & Joint Coverage

Credit life insurance can be offered to one borrower (single coverage) or to the borrower and his or her co-borrower (joint coverage). The policy terminates upon the death of either one of the insured's. If the two borrowers die simultaneously, then only one death benefit is paid. Suicide exclusion only for the first year of the policy.

Advantage of Joint Coverage

The opportunity for the borrower to purchase joint coverage is a great advantage because there is a savings over the alternative of buying two single life policies.

Types of Credit Life Coverage

The most common types of life coverage include:

- Gross Pay (Covers total of payments)
- Level (The amount of insurance remains constant throughout the loan term)
- Decreasing (The amount of insurance reduces monthly during the loan term)
- Net Pay (Covers the principal, insurance premiums and other loan related fees, **NOT** the unearned interest)

Types of Eligible Loans

- Consumer Loans
- Commercial Loans
 - ✓ The signer must sign as “*John Smith, President and individually*”
 - ✓ Co-Borrowers only if they sign as “*individually*” as well
 - ✓ Must sign the **face of the note**
 - ✓ Credit life **CAN** be purchased with a DBA, Corporation, LLC, etc. as long as we have an individual signing the face of the note acknowledging their liability.
- Agricultural Loans
- Balloon Loans
- Irregular Loans (other than monthly)
- CD Secured Loans (protects the borrower's CD)

Credit Life Plan Highlights

- Single Premium
- Single Coverage (One Debtor)
- Joint Coverage (Two Debtors)
- Gross Coverage

GROSS MAXIMUM		
<u>AGE</u>	<u>PER INDIVIDUAL</u>	<u>TERM</u>
18 - 55	\$150,000	120 months
56 - 65	\$100,000	120 months
66 - 69	\$ 3,000	36 months

- Maximum Age at Issuance: 69
 - Must Be Under Age 70 at the Scheduled Maturity Date of the Loan
 - No Occupational Limitation
 - Good Health Statement
 - No Physical Examination
- ✓ If a borrower meets the eligibility requirements, their insurance becomes effective as soon as the loan is finalized
 - ✓ NO Health Statement for High Blood Pressure or Diabetes
 - ✓ NO Exclusion for Flight in Non-Scheduled Aircraft

Credit Disability General Information

What Does Credit Disability Insurance Do?

Credit disability insurance pays a portion of the insured's monthly loan payment for each day he or she is totally disabled. Disability may be a result of an accident or illness. Proceeds are payable as 1/30th of the monthly payment (up to the contract limit) for each day the insured is disabled. Disability **DOES NOT** cover the **BALLOON** payment, only the equal monthly installments. Disability cannot be purchased alone, it can only be purchased **WITH** credit life. Joint disability will pay if either **ONE** of the covered insured's are totally disabled, one monthly disability benefit is payable.

Total Disability

Total disability is defined as any physician-documented accident or illness that, for the first 12 months, prevents the insured from working in their normal occupation. For any disability beyond the first 12 months, the insured cannot engage in any occupation for which he or she is reasonably qualified by education, training, or experience.

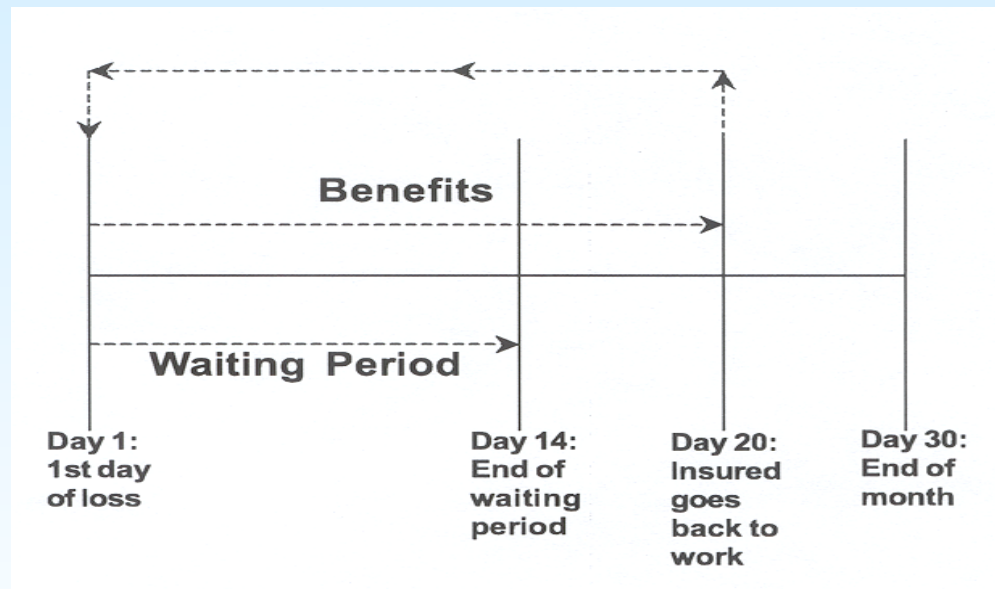
What is Not Covered

Intentionally Self-inflicted Injury; Normal Pregnancy/Childbirth; Pre-existing Condition/Illness (This is an accident or sickness for which the insured receives treatment in the six months immediately preceding the effective date of coverage and causes disability within the first six months of coverage).

Credit Disability Waiting Period

14-Day Retroactive Disability

The retroactive plan provides benefits that are payable from the first day of disability. Once the 14th day of disability has passed, benefits become due and payable from the first day of disability and continue for each consecutive day of disability.



How Proceeds are Paid

Example:

Monthly disability benefit (monthly payment) = \$ 300

Daily benefit = $\$300/30$ = \$ 10

Benefit payable = 20 days of disability x \$10 = \$ 200

Credit Disability Plan Highlights

- **Single Premium**
 - **Single Coverage (One Debtor)**
 - **Joint Coverage (Two Debtors)**
 - **Age Limits (18-65)**
 - **Maximum Monthly Benefits Per Individual**
 - 3 – 60 months – \$1,000**
 - 61 – 120 months – \$750**
 - **Maximum Term: 120 months**
 - **Must Be Under Age 66 on the Scheduled Maturity Date of the Loan**
 - **Must be employed a minimum of 30 hours per week, if Joint Coverage, both must be employed 30 hours per week**
 - **Good Health Statement**
-
- ✓ **If a borrower meets the eligibility requirements, their insurance becomes effective as soon as the loan is finalized**
 - ✓ **NO Health Statement for High Blood Pressure or Diabetes**
 - ✓ **NO Exclusion for Flight in Non-Scheduled Aircraft**

Credit Insurance Benefits

(Credit Life & Disability)

Benefits to the Borrower

- The borrower has a sense of security knowing that his or her loan is covered in the event of a sudden accident or illness, or unexpected death.
- The borrower only pays for what he or she needs. If the loan is paid off early, any unused premium is credited to the payoff amount.
- Many borrowers are under-insured or have no life or disability insurance. They know this, but tend to avoid the task of purchasing more insurance. Since the Payment Protection Plan is an easy and convenient way to meet a portion of their insurance needs, many borrowers choose to enroll.

Benefits to You - The Lender

If the customer suddenly becomes disabled or dies unexpectedly, you have the extra security knowing that the loan obligation may be taken care of.

- Knowing you won't have to call a widow, widower, or disabled borrower and collect on an unpaid balance increases your customer satisfaction.
- The Payment Protection Plan not only helps build customer relationships, but it also provides additional profit for your organization.

Presentation / Compliance

To protect your customer and make sure your **BANK** stays in **COMPLIANCE**, you must offer the Payment Protection Plan 100% of the time to 100% of your customers.

100% Presentation

Presenting the Payment Protection Plan should be as natural as making a loan. Here are a few suggestions for making the Payment Protection Plan a natural tie-in to your loan presentation.

Ask Permission to Ask Questions

When a customer calls or stops by and requests a loan quote, ask the customer the following question:

“May I ask you a few questions first?”

If the customer says, “yes,” follow up with the next question:

Determine the Range of Monthly Payments

“What range of monthly payments are you looking for?”

Quote the Loan Payment

Always quote the loan payment to include the Payment Protection Plan.

Disclose the cost of the plan to the customer up front.

“Mr./Ms. Customer, your monthly payment would be \$_____, is this within the range expected? It includes the principal, interest, (other fees) and also about \$_____ per month for optional Payment Protection. How does that sound?”

“Now let’s see if you qualify for the benefits.”

Questions

After you quote the payment, your customer may have questions about the plan. The following information will help you answer these questions.

Life Insurance vs. Credit Insurance

**Male Non-Tobacco Level Term Rates for Age 30 Compared to Level Term
Credit Life Rates for Ages 18-70 on \$10,000 Level Coverage for Five Years**

AGES	ANNUAL TERM PREMIUM	CREDIT LIFE ANNUAL PREMIUM
30	\$88.80	\$78.80
31	\$90.00	\$78.80
32	\$91.44	\$78.80
33	\$93.12	\$78.80
34	\$95.04	\$78.80
Total	\$458.40	\$394.00

Life Insurance Rates

(Non-Tobacco)

NON-TOBACCO RATES

(Have not used tobacco in last 12 months)

MONTHLY RATES

Issue Age	\$10,000		\$50,000		\$100,000		\$250,000	
	Male	Female	Male	Female	Male	Female	Male	Female
20	7.10	6.60	10.90	9.70	11.50	11.40	18.78	18.55
21	7.10	6.60	10.90	9.70	11.50	11.40	18.78	18.55
22	7.10	6.60	10.90	9.70	11.50	11.40	18.78	18.55
23	7.10	6.60	10.90	9.70	11.50	11.40	18.78	18.55
24	7.10	6.60	10.90	9.70	11.50	11.40	18.78	18.55
25	7.10	6.85	10.90	9.70	11.50	11.40	18.78	18.55
26	7.13	6.91	10.90	9.70	11.50	11.40	18.78	18.55
27	7.18	6.97	10.90	9.70	11.50	11.40	18.78	18.55
28	7.24	7.03	10.90	9.70	11.50	11.40	18.78	18.55
29	7.31	7.11	10.90	9.70	11.50	11.40	18.78	18.55
30	7.40	7.20	10.95	9.70	11.50	11.40	18.78	18.55
31	7.50	7.31	11.05	9.85	11.50	11.40	18.78	18.55
32	7.62	7.44	11.16	10.10	11.50	11.40	18.78	18.55
33	7.76	7.58	11.25	10.35	11.50	11.40	18.78	18.55
34	7.92	7.73	11.50	10.65	11.50	11.40	18.78	18.55
35	8.10	7.90	11.80	11.00	11.50	11.40	18.78	18.55
36	8.31	8.08	10.21	11.40	11.80	11.60	19.38	18.96
37	8.54	8.28	10.63	11.80	10.25	11.80	20.42	19.59
38	8.80	8.49	11.13	10.21	10.67	10.09	21.46	20.21
39	9.09	8.72	11.71	10.63	11.17	10.59	22.71	21.46
40	9.40	8.95	12.34	11.05	11.67	11.34	23.96	23.13
41	9.73	9.18	13.00	11.46	12.25	11.67	25.21	23.96
42	10.07	9.40	13.71	11.88	12.84	12.25	26.25	25.21
43	10.44	9.65	14.50	12.30	13.59	12.67	27.71	26.25
44	10.88	9.94	15.34	12.80	14.25	13.00	29.38	27.30
45	11.40	10.30	16.25	13.34	15.34	13.34	31.05	28.13
46	10.04	10.77	17.21	13.96	16.50	14.00	33.13	28.96
47	10.65	11.32	18.21	14.63	17.84	14.67	35.00	30.00

MONTHLY RATES

Issue Age	\$10,000		\$50,000		\$100,000		\$250,000	
	Male	Female	Male	Female	Male	Female	Male	Female
48	11.30	11.92	19.30	15.34	19.23	15.67	37.50	31.05
49	11.98	10.41	20.46	16.09	20.84	16.92	40.00	32.71
50	12.63	10.84	21.67	16.88	22.75	18.34	42.92	33.96
51	13.25	11.16	22.92	17.71	24.67	19.67	45.84	36.46
52	13.86	11.43	24.17	18.63	26.92	21.00	49.17	39.38
53	14.49	11.68	25.50	19.59	29.34	22.67	52.50	42.30
54	15.14	11.98	27.00	20.55	31.84	24.42	56.67	45.42
55	15.84	12.38	28.78	21.46	34.92	26.25	61.88	48.75
56	16.52	12.86	30.55	22.21	38.34	28.25	67.30	52.30
57	17.17	13.40	32.38	22.80	41.67	30.34	73.55	56.46
58	17.89	14.01	34.50	23.46	45.50	32.75	80.21	61.46
59	18.78	14.70	37.09	24.46	50.04	35.34	88.34	67.30
60	19.92	15.50	40.42	26.05	55.67	37.84	97.71	73.55
61	21.39	16.40	44.50	28.17	62.50	40.34	109.17	80.42
62	23.11	17.39	49.21	30.71	70.34	43.34	121.46	88.75
63	25.00	18.47	54.50	33.67	78.75	46.92	135.42	98.55
64	26.97	19.65	60.34	37.05	87.75	51.34	150.84	109.80
65	28.92	20.96	66.67	40.84	96.84	56.17	168.13	121.88
66	30.86	22.39	73.00	44.96	106.17	60.84	187.30	131.46
67	32.85	23.91	79.34	49.42	115.17	65.50	207.30	141.46
68	34.88	25.55	86.48	54.38	125.17	69.67	229.59	152.09
69	36.96	27.31	95.17	59.92	137.17	72.92	257.30	161.67
70	39.09	29.17	108.25	66.25	152.92	75.42	292.50	170.42
71	45.32	32.47	N/A	N/A	171.34	82.42	332.92	187.30
72	49.09	35.11	N/A	N/A	192.09	91.00	378.75	207.92
73	53.16	37.91	N/A	N/A	215.50	104.17	430.21	234.38
74	57.48	40.88	N/A	N/A	241.42	115.75	486.88	266.46
75	62.00	44.00	N/A	N/A	269.92	131.42	549.17	302.92

Other amounts available on request. Premiums are standard rates based on applicant's age at issuance of policy. Premiums may be paid annually, semi-annually, or by monthly bank draft only. (A no-cost medical exam may be required depending on age, health, or amount of coverage desired). Policies \$10,000, Policy form no CT-P 79D GP-95. Participating. Decreasing Term Policy designed to provide level coverage to age 95. Policies \$50,000, Policy form no. 80-RCT-79D.SST-5, Level Death Benefit Term to age 90. Premiums increase every 5 years until maturity. Policies \$100,000 and above, CE-82 Plus, policy form no 80-RCT-79D, Graded Premium, level death benefit to age 95. Premiums increase annually.

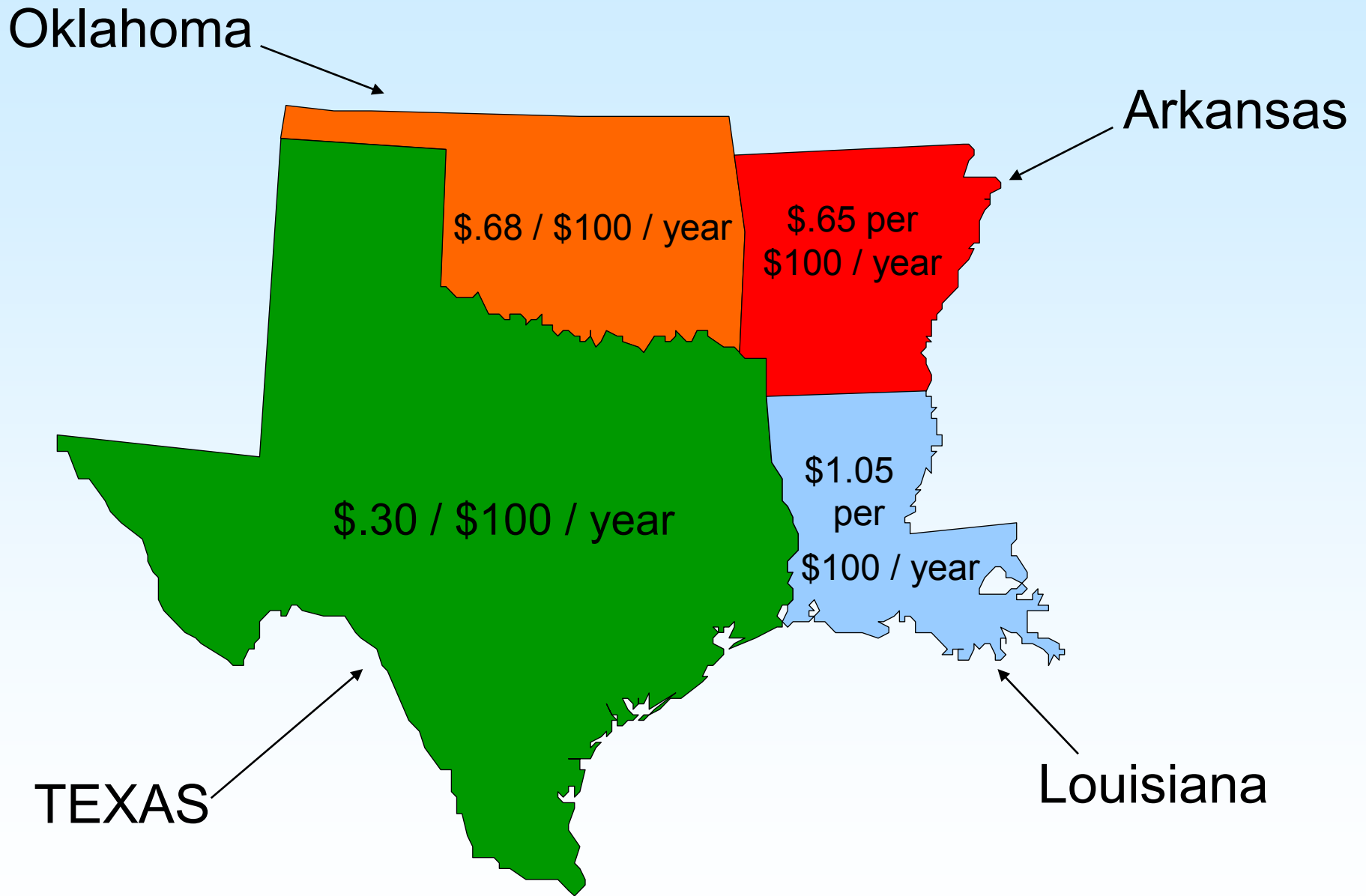
LOAN YIELD ANALYSIS - CREDIT LIFE AND DISABILITY

RATES EFFECTIVE 1/1/06

	<u>NO INSURANCE</u>	<u>SINGLE LIFE</u>	<u>SINGLE WITH A&H</u>	<u>JOINT LIFE</u>	<u>JOINT WITH A&H</u>
PRINCIPAL AMOUNT	\$18,000.00	\$18,000.00	\$18,000.00	\$18,000.00	\$18,000.00
INTEREST RATE	8.95%	8.95%	8.95%	8.95%	8.95%
LOAN TERM	60 MONTHS	60 MONTHS	60 MONTHS	60 MONTHS	60 MONTHS
CREDIT LIFE PREMIUM	\$0.00	\$440.90	\$469.17	\$668.43	\$711.88
DISABILITY PREMIUM	\$0.00	\$0.00	\$1,154.73	\$0.00	\$1,169.91
INTEREST INCOME	\$4,392.60	\$4,500.70	\$4,788.90	\$4,555.77	\$4,852.01
TOTAL OF PAYMENTS	\$22,392.60	\$22,941.60	\$24,412.80	\$23,224.20	\$24,733.80
INTEREST INCOME	\$4,392.60	\$4,500.70	\$4,788.90	\$4,555.77	\$4,852.01
CREDIT LIFE INCOME (40%)	\$0.00	\$176.36	\$187.67	\$267.37	\$284.75
DISABILITY INCOME (40%)	\$0.00	\$0.00	\$461.89	\$0.00	\$467.96
TOTAL INCOME	\$4,392.60	\$4,677.06	\$5,438.46	\$4,823.14	\$5,604.72
ADDITIONAL INCOME		\$284.46	\$1,045.86	\$430.54	\$1,212.12
YIELD*****	8.95%	9.49%	10.92%	9.77%	11.23%

*****ADJUSTED YIELD INCLUDES ADDITIONAL INTEREST INCOME FROM PREMIUMS FINANCED

Single Premium Rate Comparison



Life Insurance vs. Credit Life Insurance

Unlike most life insurance policies, the borrower:

- Won't be asked to take a medical exam or disclose health details
- Will have simplified eligibility
- Coverage matches the credit transaction, that is, there is usually coverage for the exact term and amount of the loan.
- The same premium rate is charged to every customer of a financial institution regardless of age, gender or occupation.
- No out of pocket expense, a single premium is paid at the inception of the insurance. The premium is financed with the loan.

Already Have Life Insurance?

It's possible that your borrower already has Life Insurance, so why do they need Credit Insurance?

Your customer may need Credit Life or Credit Disability Insurance if they take out a loan to:

- Purchase a new vehicle
- Consolidate debt

In addition to traditional Term Life Insurance, Credit Life Insurance will:

- Help your customer pay back any unpaid loans if they die or become disabled
- Reduce the financial burden on their family
- Allow additional life insurance benefits to help the family with other outstanding finances that may occur

By having Credit Insurance, your customer is protected from losing their savings or other property if they cannot repay the loan due to death or a disabling accident or illness.

Presentation Tips

What is it?

“Here’s what the plan covers:”

If you die unexpectedly, your covered loan balance is paid.

If you become disabled as a result of an accident or illness, your loan payments will be made for the time you cannot work.

A definition of the terms and a full description of the coverage's are included in the Certificate of Insurance you would receive.”

Does it Affect my Loan Approval?

”Your decision to enroll in the plan does not affect your loan approval or the processing time. This is a voluntary plan we offer as a convenient way to protect your new loan.”

Presentation Tips

Even if your customers do not ask these questions, it's important that you let them know:

- How much Payment Protection costs
- Payment Protection is optional
- Their decision whether to enroll does not affect their loan approval or the loan processing time

Payment Protection is very rarely asked for, to protect your customer and make sure your BANK stays in COMPLIANCE, you MUST offer the Payment Protection Plan 100% of the time to 100% of your customers.

Presentation Tips

More Tips

Here are some more tips that will help you present Payment Protection Plan to **EVERY** customer.

Nothing Convinces More Than Conviction

Some lenders feel uncomfortable offering the Payment Protection Plan to every customer. To alleviate this feeling, it's helpful to understand what it is that the Payment Protection Plan does for the customer. This understanding, along with quoting the payment with Payment Protection Plan **EVERY** time, will greatly diminish this feeling of discomfort.

Determine Eligibility Early On

Determine the customer's eligibility as early on in the loan process as possible. If your customer likes it, get the health questionnaire out and say, "Great, let's see if you qualify." Then ask your customer to complete the health questionnaire. You can ask customers to complete the health questionnaire at the same time they are completing the loan application.

Ensure Borrower and Co-Borrower Answer Health Questions

At no time should the health questions be answered by anyone other than the borrower and co-borrower. If the borrower and co-borrower are unable to complete the health questions and sign the Application for Credit Insurance form, do not issue insurance.

Quote Payment Protection Plan With Every Loan Quotation

By quoting the Payment Protection Plan in every payment, you have an automatic way to tell every customer about it.

Reasons to Consider Payment Protection

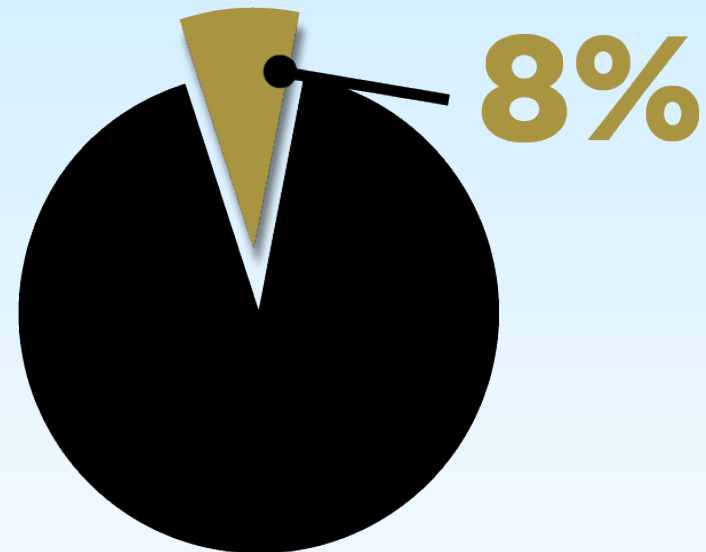
Protects Financial well-being

People plan for marriage, buying a home and retirement, but many don't plan for the unexpected.



**Only eight percent
of U.S. workers**

**strongly agree their family will
be financially prepared in the
event of an unexpected
emergency.**



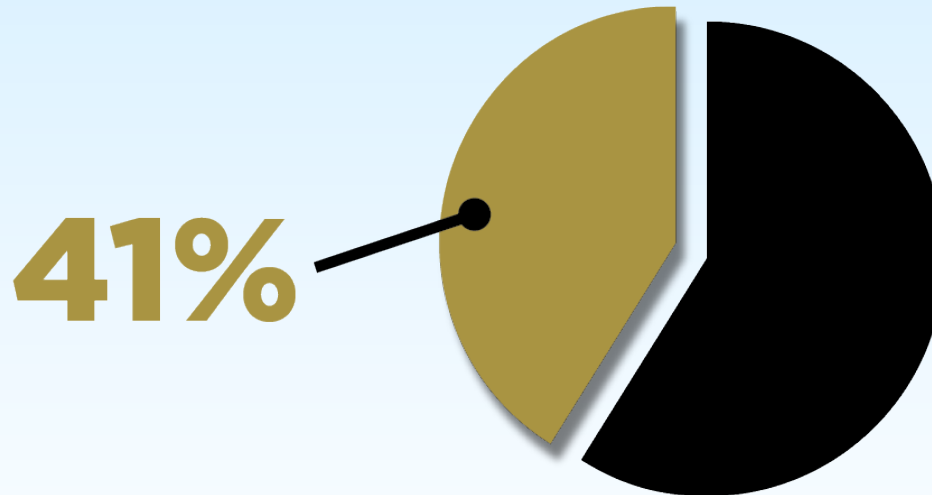
Source: 2012 Aflac Work Forces Report, April 4, 2012.

Seven in 10 families
with children under 18 would have trouble
paying their bills if their primary wage earner
died unexpectedly.



Source: *Household Trends in U.S. Life Insurance Ownership Study*, LIMRA, 2010.

**41 percent of all U.S. adults
have no life insurance at all.**



Source: *Facts About Life 2011, LIMRA Life Insurance Awareness Month, September 2011.*

Approximately 90 percent of disabilities
are caused by illnesses rather than accidents.



Source: *Council for Disability Awareness, Long-Term Disability Claims Review, 2011.*

Minnesota Life Insurance Company

Credit Life Certificate

Application/Certificate Group Credit Insurance

Single Premium

Minnesota Life Insurance Company
400 Robert Street North • St. Paul, Minnesota 55101-2098

MINNESOTALIFE

Primary applicant (first, middle, last)

Date of birth

Social Security No.

Primary applicant's address (street, city, state and zip code)

Co-applicant (joint insurance only) (spouse or business partner only) (first, middle, last)

Date of birth

Social Security No.

Loan number	Loan term	Loan effective date	Loan maturity date	Interest rate	Amount financed
Is this a refinancing?		If yes, was prior loan insured?		Payment amount	Final payment amount
<input type="checkbox"/> yes <input type="checkbox"/> no		<input type="checkbox"/> yes <input type="checkbox"/> no if yes, loan #			No. of payments
Account number		Creditor beneficiary (policyholder)	Second beneficiary	Payment frequency	
Life insurance maximum	Maximum monthly disability benefit	Type of insurance term coverage		Maximum loan repayment period	
\$150,000	\$1,000	<input type="checkbox"/> full <input type="checkbox"/> truncated		120 Months	

CREDIT INSURANCE APPLIED FOR				
LIFE INSURANCE	Initial amount of life insurance	Term of insurance	Termination date of insurance	Premium
Group Policy Number: 429128-G				
SINGLE LIFE INSURANCE <input type="checkbox"/> net <input type="checkbox"/> gross				
JOINT LIFE INSURANCE <input type="checkbox"/> net <input type="checkbox"/> gross				
LEVEL LIFE INSURANCE <input type="checkbox"/> single <input type="checkbox"/> joint				
DISABILITY INSURANCE	Monthly disability benefit	Term of insurance	Termination date of insurance	Premium
Group Policy Number: 429129-G				
Maximum aggregate disability benefit: \$100,000				
SINGLE DISABILITY INSURANCE <input type="checkbox"/>				
(Primary Applicant Only)				
JOINT DISABILITY INSURANCE <input type="checkbox"/>				
(100% Monthly Disability Benefit Amount for either applicant. Only one monthly disability benefit is payable)				
Waiting period: 14 Days	Retroactive benefit <input checked="" type="checkbox"/> yes <input type="checkbox"/> no			TOTAL PREMIUM
You are covered only for the types of coverage for which a selection is indicated on this application.				

NOTICE TO APPLICANT(S)

I (we) are applying for the credit insurance coverage(s) selected above and agree to pay the required premium. I (we) understand that fees may be paid by the insurer in connection with this coverage to the sponsor of this plan and/or its affiliates or designates. I (we) understand that the purchase of this insurance is **voluntary and not required** in order to obtain credit, and that I (we) may terminate it at any time. I (we) also agree that:

- I am eligible for life insurance if we are under age 70 on the termination date of insurance and my loan is repayable within the maximum loan repayment period shown above.
- If joint life insurance is selected, we are eligible if the older applicant will be under age 70 on the termination date of insurance and our loan is repayable within the maximum loan repayment period shown above. We must be spouses or business partners, jointly and individually liable for repayment of the loan and joint signers of the instrument of indebtedness.
- I am eligible for disability insurance if I will be under age 60 on the termination date of insurance and my loan is repayable within the maximum loan repayment period shown above. I also must be presently working outside the home for wages or profit for 30 hours or more per week and have been so working for 30 days or more immediately prior to this date.
- A person signing this application as co-applicant is not eligible for single disability insurance.
- If joint disability insurance is selected, we are eligible if the older applicant will be under age 60 on the termination date of insurance and our loan is repayable within the maximum loan repayment period shown above. We also must both be presently working outside the home for wages or profit for 30 hours or more per week and have been so working for 30 days or more immediately prior to this date. We must be spouses or business partners, jointly and individually liable for repayment of the loan and joint signers of the instrument of indebtedness.

The following question must be answered to determine my (our) eligibility for insurance:

PRIMARY APPLICANT (JOINT INSURANCE ONLY) ☐ YES ☐ NO CO-APPLICANT ☐ YES ☐ NO

During the last two years: (a) have you been advised of or treated for cancer, heart attack or coronary artery disease, stroke or arthritis; or (b) have you been diagnosed as having or treated for Acquired Immune Deficiency Syndrome (AIDS)?

My (our) answer to the above question is true to the best of my (our) knowledge and belief: If my co-applicant or I answer "Yes" to this question, we understand that the person answering "Yes" is not eligible for insurance and will not be insured.

The effective date of my (our) insurance will be the date of this application, the date the eligible loan is disbursed, or the date the note evidencing the loan is signed, whichever date is later.

IF TRUNCATED TERM COVERAGE, THE BENEFIT MAY NOT COMPLETELY PAY OFF THE LOAN
THIS INSURANCE CONTAINS LIMITATIONS/EXCLUSIONS PERTAINING TO BENEFITS PAYABLE.

PRIMARY APPLICANT'S SIGNATURE	DATE	CO-APPLICANT'S SIGNATURE	DATE
X		X	

09-60448-42 (11/53)(131) B

NOTICE: With respect to insurance coverage on a balloon loan: if you have disability insurance coverage and are eligible for total disability benefits on the termination date of insurance, your balloon payment will only be insured up to an amount equal to your monthly disability benefit.

PREMIUM REFUND		REFUND	
EFFECTIVE DATE OF LOAN	TERMINATION DATE	CANCELLATION DATE	Life \$ Disability \$

GROUP CREDIT INSURANCE – SINGLE PREMIUM – FULL/TRUNCATED TERM COVERAGE

CERTIFICATE OF GROUP CREDIT LIFE AND DISABILITY INSURANCE

This certificate is issued in consideration of your application and the payment of the required premium. It summarizes the main provisions of the group policy(ies) that affect you. You may examine the group policy(ies) at the principal office of the policyholder during regular business hours.

Notice of your right to examine this certificate for 30 days: It is important to us that you are satisfied with this insurance. If you are not satisfied, you may return this certificate to us within 30 days of its receipt, and you will receive a full refund of any premiums you have paid within 30 days after we receive your notice of cancellation. IF THE TERM OF YOUR INSURANCE IS LESS THAN THE TERM OF YOUR LOAN – YOUR INSURANCE WILL TERMINATE ON THE DATE INDICATED IN YOUR APPLICATION. THE DEATH BENEFIT WILL ONLY BE PAYABLE IF DEATH OCCURS DURING THE TERM OF THE INSURANCE. DISABILITY INSURANCE, IF IN FORCE, WILL NOT COVER YOUR ENTIRE EARNED INCOME AND THE DISABILITY INSURANCE BENEFITS AVAILABLE WILL BE LESS THAN THE AMOUNT NECESSARY TO PAY OFF YOUR LOAN. TOTAL DISABILITY WILL NOT BE PAID FOR ANY PERIOD OF TOTAL DISABILITY COMMENCING OR CONTINUING AFTER THE TERMINATION DATE OF INSURANCE SHOWN IN THE SCHEDULE.

IF THE INSURANCE OR THE INSURED DEBT TERMINATES BEFORE THE SCHEDULED TERMINATION DATE OF THE INSURANCE, INCLUDING THE TERMINATION OF THE DEBT BY RENEWAL OR REFUND, THE DEBTOR IS ENTITLED TO A REFUND OF ANY UNEARNED PREMIUMS THAT THE DEBTOR PAID. THE CREDITOR SHALL, NO LATER THAN 60 DAYS AFTER THE TERMINATION OF THE INSURANCE, PROVIDE WRITTEN NOTICE TO THE INSURER OF THE TERMINATION DATE OF THE INSURED DEBT AND INCLUDE THE NAME AND ADDRESS OF THE INSURED DEBTOR AND THE PAYOFF DATE OF THE INSURED DEBT. THE REFUND SHALL BE PAID OR CREDITED TO THE PERSON ENTITLED TO THE REFUND NO LATER THAN 30 DAYS AFTER THE INSURER'S RECEIPT OF THE WRITTEN NOTICE FROM THE CREDITOR. IN ANY CLAIM OR ACTION ASSERTED BY AN INSURED DEBTOR AGAINST AN INSURER FOR FAILURE TO REFUND ANY UNEARNED PREMIUMS THE INSURED DEBTOR PAID, THE INSURER SHALL BE ENTITLED TO INDEMNIFY FROM A CREDITOR WHO FAILED TO PROVIDE THE WRITTEN NOTICE.

LIFE INSURANCE

What is the amount of the death benefit? The initial amount of life insurance is shown in the application, subject to the insurance maximum as described in your application.

If the type of coverage is NET: (1) the unpaid balance is equal to the scheduled remaining principal balance plus accrued interest; and (2) the death benefit will be calculated by determining the ratio of the initial amount of life insurance to the initial amount financed and applying this ratio to the unpaid balance of your loan on the date of your death. If your loan is a variable interest loan, the unpaid balance on the date of your death will be based on either the amortization schedule in effect on the effective date of your coverage or the amortization schedule in effect on the date of your death, whichever unpaid balance amount is greater.

If the type of coverage is GROSS: The death benefit will be calculated by determining the ratio of the initial amount of life insurance to the sum of the scheduled loan payments over the term of the loan and applying this ratio to the sum of the remaining scheduled loan payments on the date of your death. If your loan is a variable interest loan, the unpaid balance on the date of your death will be your unpaid total scheduled remaining loan payments based on either the schedule in effect on the effective date of your coverage or the schedule in effect on the date of your death, whichever unpaid balance amount is greater.

If benefits are to be payable on a LEVEL basis, the amount of the death benefit is equal to the initial amount of life insurance shown in your application. If you are jointly insured and your co-debtor dies, the death benefit will be determined on the same basis. Only one death benefit is payable under this certificate, even if both jointly insured debtors should die on the same date.

Is there a suicide exclusion? We will not pay any life claim if you, whether same or insane, die by suicide within one year from the effective date of your insurance, but we will refund your life insurance premium paid and, if disability coverage is also provided, any unearned disability insurance premium paid. If you applied for joint life insurance, this exclusion also applies to your co-debtor.

DISABILITY INSURANCE

What is the amount of your monthly disability benefit? Your monthly disability benefit will be an amount equal to the lesser of: (1) your minimum scheduled installment payment as specified in your loan agreement, excluding any delinquencies and/or late fees, due in the month in which total disability commences; or (2) the Maximum monthly disability benefit as described in your application.

If your minimum scheduled installment payment increases according to a procedure specified in your loan agreement to recognize periodic changes in the loan interest rate (variable interest loan), we will increase your monthly disability benefit accordingly provided: (1) the date of scheduled installment payment increase is after total disability commences; and (2) the maximum monthly disability benefit we were paying immediately prior to the increase was not limited to the maximum monthly disability benefit available.

In no event will any other increase (or decrease) in your minimum scheduled installment payment, after total disability commences, serve to change the amount of monthly disability benefit payable.

If joint disability insurance is in force and both jointly insured debtors are totally disabled at any given time, the amount of the monthly disability benefit will be determined based on the first jointly insured debtor to become disabled and only one monthly disability benefit is payable. Where one of the insured debtors becomes no longer totally disabled, the monthly disability benefit is determined based on the remaining totally disabled insured debtor.

Will the monthly disability benefit be prorated? Yes. Benefits will accrue on a daily basis; that is, we will pay the monthly disability benefit for a full month of total disability and we will prorate the monthly disability benefit on the basis of a 30 day month for a period of continuous total disability that is less than one month in duration.

What is the definition of total disability? During the first twelve months of disability, your complete and continuous inability, due to either sickness or injury, to perform the essential and customary duties of your regular occupation. Thereafter, your complete and continuous inability, due to either sickness or injury, to engage in any gainful occupation for which you are reasonably suited by education, training or experience.

For how long will monthly disability benefits be paid? We will pay the monthly disability benefit for any continuous period of total disability until any one of the following conditions are met: (1) the payments total an amount equal to the unpaid balance of your loan on the date total disability commences, including principal and interest, under the terms of the loan note or agreement; or (2) the Maximum aggregate disability benefit as described in your application has been paid; or (3) your loan reaches its initial scheduled maturity date or, if the maturity date has been adjusted according to a procedure specified in the loan agreement to recognize periodic changes in the loan interest rate (variable interest loan), your loan reaches its adjusted maturity date; or (4) the termination date of insurance as shown in your application is reached. If a claim is in progress at the time of discharge of the indebtedness, benefits will continue during the originally scheduled term of insurance. Upon termination of such claim, a refund of any then unearned premium will be made.

What if you suffer recurrent periods of total disability? If following a period of total disability, you engage on a full-time basis in any occupation for a continuous period of three months or more, any subsequent period of total disability resulting from the same or related cause or causes will be considered a new period of total disability. However, if the period during which you engage in any occupation is less than three months, any subsequent period of total disability resulting from the same or related cause or causes will be considered a continuation of the preceding period of total disability.

If you are totally disabled and sustain an additional sickness or injury which would be in and of itself totally disabling, the additional sickness or injury will not be considered a new period of total disability.

What disabilities are not covered? We will not insure any loss resulting directly or indirectly from any total disability caused by: (1) intentionally self-inflicted injuries; or (2) normal pregnancies or elective abortions; or (3) war or any act of war, whether such war is declared or undeclared; or (4) a pre-existing condition for which you received medical diagnosis or treatment within the six month period immediately prior to the effective date of your insurance and which results in total disability commencing within six months after the effective date of your insurance (disability resulting from any such condition and commencing or recommencing more than six months after the effective date of your insurance is covered).

GENERAL PROVISIONS

To whom will benefits be payable? Claim payments will be made to the policyholder to reduce or extinguish your loan. If claim payments are more than the balance of your loan, remaining payments will be made by separate check or draft to you or to your estate or, if required by law and you have named one, to a secondary beneficiary. **When will benefits be payable?** The death benefit will be payable within two months after we receive a certified copy of the death certificate and a statement from the policyholder.

Disability benefits will be payable when we receive proof you have become totally disabled while you are insured and prior to your 60th birthday. Also, you must be under the regular care of a physician, when medically necessary, for the sickness or injury. We will pay the monthly disability benefit at the end of each month of continuous total disability following the expiration of the waiting period. If the retroactive benefit is effective, we will pay the monthly disability benefit at the end of each month of continuous total disability from the date total disability commences but benefits will not begin until the waiting period expires.

When must notice of a disability claim be given? You must give us notice within 30 days or as soon as possible after the occurrence or commencement of any loss covered by the group policy. The notice of claim must be in writing and given to our authorized agent or sent to our home office in St. Paul, Minnesota. We shall have the right to have you examined at our own expense as often as may reasonably be required while a disability claim is being considered or paid. No action at law or in equity shall be brought to recover on this certificate prior to the expiration of 60 days after written proof has been furnished. No such action shall be brought after the expiration of 6 years after the time when proof of loss is required to be furnished.

As deemed necessary to determine continued disability, we may also request written proof of loss during the course of a claim.

What claim forms are required? When we receive the notice of claim we will furnish you the forms to file the proof of loss. If we do not furnish these forms within 15 days of the date we receive the notice of claim you may submit your own proof of loss. The proof of loss must be in writing and cover the occurrence, character, and extent of the loss.

When must proof of loss be given? For a disability claim, you must give written proof of loss to us at our home office within 100 days after the termination of the period for which we are liable. Failure to furnish proof of loss within the time required will not invalidate or reduce the claim if it was not reasonably possible for you to give proof within that time period. However, you must furnish proof of loss as soon as reasonably possible. In no event, except in the absence of legal capacity, can proof of loss be filed later than one year from the time proof is otherwise required.

What happens if you are issued insurance in excess of the maximums in error? If you are issued insurance in excess of the insurance maximum amount or term in error, we have the right within 90 days from the effective date of coverage and prior to a claim to reduce excess coverage and refund the excess charge paid by you.

How are premiums calculated? The premium for your insurance is calculated on a single premium basis using the premium rate in effect under the group policy. How are refunds calculated? If your insurance terminates before the termination date of insurance or the premium you were charged is greater than the premium required for your age and amount of insurance, the unearned premium will be refunded to you. All overcharged premium is unearned. In the event of termination of your coverage due to the payment of death benefits, the life insurance premium is considered earned and no refund will be made; however, where disability coverage is also provided, a refund of the unearned disability premium will be made to the second beneficiary. The method of calculating refunds is the Rule of Anticipation. However, refunds of less than \$1.00 will not be made. If 16 days or more of a loan month have been earned, the refund will be computed from the end of the month; if 15 days or less of a loan month have been earned, the refund will be computed from the beginning of the loan month.

When does your insurance terminate? Your insurance will terminate on the date any of the following events occurs: (1) your loan is discharged through payment, prepayment, renewal or refinancing; or (2) your loan reaches its scheduled maturity date or, if the maturity date has been adjusted according to a procedure specified in the loan agreement to recognize periodic changes in the loan interest rate (variable interest loan), the date your loan reaches the adjusted maturity date. In no case will insurance be extended beyond 60 days after the initial scheduled maturity date; or (3) the termination date of insurance as shown in your application is reached; or (4) you request in writing that your insurance be terminated; or (5) you die. If joint insurance is in force, your insurance terminates on both you and your co-debtor on the date either you or your co-debtor die and a life benefit is paid.

Termination of your insurance shall be without prejudice to any claim that occurred prior to such termination.

What if your age is misstated? If you stated you would be under age 65 on the termination date of insurance and you applied for disability insurance or you stated you would be under age 70 on the termination date of insurance and you applied for life insurance but you were not, we will refund your premium when we discover this and no benefits will be paid. If you applied for joint insurance, these also apply to your co-debtor.

If you state your correct age as exceeding the maximum age shown in your application and we do not return your premium within 90 days from the effective date of your certificate and prior to a claim, you will remain insured.

How do your statements affect your insurance? Any statements you made in your application will be considered representations and not warranties and will not be used to contest this certificate unless the statement is contained in your application and a copy of the statement is furnished to you, or your named beneficiary.

Can we contest your insurance? After your insurance has been in force during your lifetime for two years from the effective date of your insurance, we cannot contest your insurance for any loss that is incurred more than two years after the effective date, except for the nonpayment of premium or, with respect to disability coverage, fraudulent statements contained in a written statement signed by you.

What if joint insurance is terminated because of suicide, contestability, or eligibility? In the case of joint insurance, if coverage is terminated with respect to one of the joint insureds in accordance with the provisions on suicide, contestability or age eligibility contained in this certificate, a refund will be made which is equal to the difference between the premium actually charged for the joint coverage and the premium that would have been charged if only single coverage had been issued and insurance will continue on the other insured under a single coverage basis.

Speed Quote

Loan
parameter
input section

Product selection
and payment
information section.
Shows selected
product, payment,
and product costs

Profitability Section – Shows
the income and loss to the
bank, loan officer, and
secretary

Speed Quote 4.0

Save Quote Search Display Loan Summary Show/Print Quote Print Screen Amortization Setup Exit

Loan Type:
 Loan Purpose:
 Co-Applicant: ☐ Yes ☒ No
 Loan Amount \$
☐ Balloon Amt \$
☐ Monthly Pmt \$
 Int. Rate %
 Term: mo
 Amortized Term: mo
 Days / Year:
 Payment Schedule:
 Loan Date:
 1st Payment Date:
 Insurance Method: ☒ Gross ☐ Net
 Truncated Ins. Term: mo

Product Costs Refund Calculator

Products:	Payment	Daily Cost	Monthly Cost	Total Cost
<input checked="" type="radio"/> Joint Life w/ Joint	\$860.01	\$2.23	\$67.98	\$2,447.11
<input type="radio"/> Joint Life w/ A&H	\$0.00	\$0.00	\$0.00	\$0.00
<input type="radio"/> Single Life w/ A&H	\$832.86	\$1.44	\$43.90	\$1,580.40
<input type="radio"/> Joint Life Only	\$0.00	\$0.00	\$0.00	\$0.00
<input type="radio"/> Single Life Only	\$794.01	\$0.31	\$9.46	\$340.44
<input type="radio"/> No Credit Insurance	\$783.34	---	---	---
<input type="checkbox"/> GAP Insurance	-	\$0.00	\$0.00	\$325.00
<input type="checkbox"/> Vehicle Service Contract	-	-	-	0.00

Monthly Payment **\$860.01**

powered by: **SWRIC**

	Bank		Loan Officer		Processor/Secretary	
	Income	Loss	Income	Loss	Income	Loss
Interest	\$3,513.25	(\$110.69)	---	---	---	---
Credit Insurance	\$978.84	(\$346.68)	\$122.36	(\$43.34)	\$61.18	(\$21.67)
GAP	\$0.00	\$125.00	\$0.00	\$25.00	\$0.00	\$0.00
V.S.C.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total..	\$4,492.09	(\$332.37)	\$122.36	(\$18.34)	\$61.18	(\$21.67)

Customized for: **Speed Quote**

* Disclaimer: All figures are for quoting purposes only. Actual financing terms and amounts will be determined by bank's loan origination software.

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Loan Summary

Summary of Selected Loan

Amount Financed:	\$27,447.11	Loan Date:	5/30/2014
Interest Rate:	8.0%	1st Payment Date:	6/29/2014
Term:	36	Maturity Date:	5/30/2017
Payment Schedule:	Monthly	# of Payments:	36
Payment Amount:	\$860.01	# of Odd days:	0
Interest Amount:	\$3,513.25		
Insurance Cost:	\$2,447.11		
Total of Payments:	\$30,960.36		

Selected Insurance Coverage: Joint Life w/ Joint A&H

Life Insurance Premium: \$552.33

Disability Insurance Premium: \$1,894.77

OK

LDS

(Lender Data Services)



LENDER DATA SERVICES

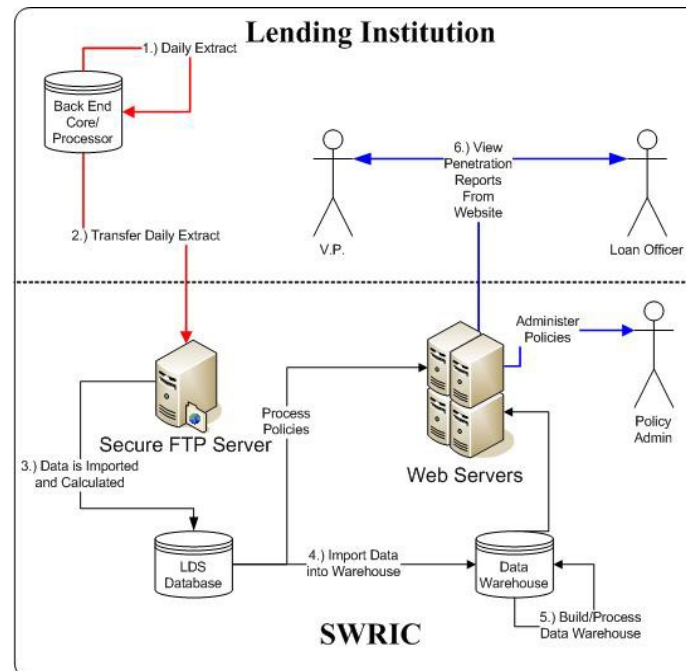
Credit Insurance + LDS = **FULLY AUTOMATED INSURANCE SOLUTION!**

- ✓ Increase Fee Income
- ✓ Increase Employee Productivity
- ✓ Simplify Insurance Processing
- ✓ Accelerate Policy / Refund Reconciliation
- ✓ Manage Loan Officer Production
- ✓ Online Reporting
- ✓ Go Paperless w/ Policy Imaging

Overview...

Bottom-line, we listened... For years financial institutions have been looking for ways to automate their credit insurance. Well look no further. Lender Data Services (LDS) is an automated web based insurance administration solution that allows your financial institution to take full control of its insurance production by providing powerful tools to effectively manage the entire program, increase employee efficiency and reduce administration time. These benefits combined, mean an increase in bottom line profits for your financial institution.

How it works...



What LDS can do for you...

Online Reporting – Gone are the days when your employee had to use double-entry methods to track/report insurance production. We use our web based platform to serve your institution with reports, automatically, straight from the data stored by your core processor, bypassing the ‘middle man’, and eliminating errors caused in the process. The LDS System can provide your financial institution with real-time production analysis, so that lenders can check their insurance production and adjust accordingly, in order to set and/or meet fee based income production goals. Our reports are capable of displaying production data on a daily, weekly, or monthly basis, depending on the frequency of data uploading your financial institution decides upon. Also our reports are available 24/7/365 for your viewing/reporting convenience.

- ✓ **Production Report** – Provides management and loan officers with detailed information about their loan/insurance production, at the institution, branch, and loan officer levels. The PR's will also display all the loan officers, regardless of branch, by descending order of insurance production. These reports are exportable to excel and acrobat pdf formats. The excel export feature allows loan officer incentives to be calculated in a matter of minutes, drastically reducing employee time.

C. I. Production Report												
Print Date: 11/29/2005 11:08 PM			Demo Bank						October, 2005			
Process Date: 10/31/2005												
			Certificate Count		Penetration		Premium Volume			Refunds		
Institution / Branch	Loans	Loan Volume	Life	A&H	Life	A&H	Life	A&H	Gross	Life	A&H	NET TOTAL
Demo Bank	511	\$10,133,927.08	167	68	32.68 %	13.31 %	\$33,258.72	\$20,119.23	\$53,377.95	\$14,073.11	\$10,058.90	\$29,245.94
01 : Branch 01	104	\$1,356,617.79	44	19	42.31 %	18.27 %	\$5,482.40	\$4,842.83	\$10,325.23	\$2,340.51	\$2,761.77	\$5,222.95
02 : Branch 02	28	\$261,702.50	7	0	25.00 %	0.00 %	\$2,942.91	\$0.00	\$2,942.91	\$693.00	\$995.67	\$1,254.24
03 : Branch 03	38	\$516,774.08	11	8	28.95 %	21.05 %	\$4,020.69	\$3,705.59	\$7,726.28	\$2,530.50	\$1,744.52	\$3,451.26
05 : Branch 04	17	\$157,214.22	9	4	52.94 %	23.53 %	\$997.41	\$470.81	\$1,468.22	\$832.59	\$1,497.53	(\$861.90)
06 : Branch 05	32	\$803,954.72	12	5	37.50 %	15.63 %	\$3,435.87	\$2,353.65	\$5,789.52	\$2,143.99	\$254.39	\$3,391.14
11 : Branch 06	13	\$115,077.53	5	3	38.46 %	23.08 %	\$228.95	\$595.03	\$823.98	\$578.90	\$239.45	\$5.63
12 : Branch 07	12	\$262,608.12	0	0	0.00 %	0.00 %	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
14 : Branch 08	11	\$113,170.28	0	0	0.00 %	0.00 %	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
17 : Branch 09	11	\$483,722.92	0	0	0.00 %	0.00 %	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
19 : Branch 10	6	\$796,841.03	0	0	0.00 %	0.00 %	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
21 : Branch 11	30	\$319,051.30	6	1	20.00 %	3.33 %	\$792.29	\$183.56	\$975.85	\$1,511.78	\$16.13	(\$552.06)
22 : Branch 12	9	\$807,621.83	0	0	0.00 %	0.00 %	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
23 : Branch 13	41	\$671,052.27	13	3	31.71 %	7.32 %	\$3,360.17	\$502.85	\$3,863.02	\$249.25	\$0.00	\$3,613.77
24 : Branch 14	19	\$1,475,124.82	0	0	0.00 %	0.00 %	\$0.00	\$0.00	\$0.00	\$24.26	\$114.98	(\$139.24)
25 : Branch 15	11	\$148,520.99	7	4	63.64 %	36.36 %	\$1,197.33	\$2,079.78	\$3,277.11	\$204.67	\$438.34	\$2,634.10
26 : Branch 16	53	\$540,174.55	24	0	45.28 %	11.33 %	\$8,529.51	\$2,370.24	\$11,701.23	\$822.24	\$594.40	\$10,000.00

- ✓ **Policy Report** – Generates a detailed list of every policy written during the month. It will also produce a separate report for previous insurance carrier transactions, so that your institution's insurance administrator doesn't have to. These reports can be sorted by note number, customer name, branch, loan officer, effective date, or cancel date, and can be double sorted using the same fields. It will also total each branch's transactions for easy balancing purposes. The policy reports can also be exported to excel or acrobat pdf.

C. I. Policy Report

Demo Bank

Print Date:5/1/2006 9:27:57 PM

Sort By:BranchNum

Process Date:3/9/2006 10:15:35 PM

October, 2005

Note Num	BR	L.O.	Customer	Note Amt	Eff. Date	C/M Date	Term	Cov.	Premium	Refund
120052532	01	007	Customer Name	\$4,178.26	10/3/2005	10/3/2007	24	14R	\$142.78	\$0.00
120052548	01	053	Customer Name	\$8,953.36	10/3/2005	4/3/2009	42	JRL	\$203.36	\$0.00
120052572	01	053	Customer Name	\$5,956.30	10/3/2005	10/3/2008	36	SRL	\$76.10	\$0.00
120052620	01	006	Customer Name	\$20,037.66	10/3/2005	12/3/2005	2	SLL	\$37.66	\$0.00
120052644	01	061	Customer Name	\$5,268.93	10/3/2005	10/3/2008	36	14R	\$202.55	\$0.00
120052844	01	053	Customer Name	\$3,038.07	10/4/2005	10/4/2007	24	JRL	\$38.07	\$0.00
120052876	01	007	Customer Name	\$0.00	10/4/2005	10/4/2006	12	JLL	\$301.76	\$0.00
120052932	01	007	Customer Name	\$6,510.52	10/4/2005	10/4/2010	60	SRL	\$142.89	\$0.00
					10/4/2005	10/4/2010	60	14R	\$310.41	\$0.00
120053052	01	053	Customer Name	\$1,562.53	10/5/2005	4/5/2007	18	JRL	\$14.61	\$0.00
					10/5/2005	4/5/2007	18	14R	\$47.92	\$0.00
120053180	01	006	Customer Name	\$35,225.90	10/6/2005	10/6/2011	72	SRL	\$877.81	\$0.00
120053284	01	007	Customer Name	\$8,339.62	10/6/2005	4/6/2008	30	JRL	\$133.53	\$0.00
					10/6/2005	4/6/2008	30	14R	\$307.01	\$0.00
120053516	01	053	Customer Name	\$12,746.97	10/7/2005	4/7/2009	42	SRL	\$191.23	\$0.00
					10/7/2005	4/7/2009	42	14R	\$527.74	\$0.00
120053764	01	053	Customer Name	\$1,576.60	10/11/2005	10/11/2006	12	SRL	\$6.54	\$0.00

- ✓ **Remittance Reports** – Totals all the premium and refunds generated and automatically nets out the financial institution's earnings, allowing for faster policy remittance. These reports will also separate and total your previous carrier refunds. This report alone reduces employee time by hours if not days.

SEND TO: Southwestern Regional Insurance Center
110 West Rosamond, Houston, TX 77076

CARRIER: _____
 REPORT AND REMITTANCE NO. _____

1. Ending date of the period covered by this report	Sunday, August 31, 2014	
2. Number of Certificates issued during this period	298	
	LIFE	DISABILITY
3. Gross life premiums on certificates issued during this period	\$52,630.14	
4. Gross disability premiums on certificates issued during this period		\$48,424.29
5. Gross amount of premiums returned on certificates cancelled during this period (Executed refund releases attached)	\$948.02	
6. Gross amount of disability premiums returned on certificates cancelled during this period (Executed refund releases attached)		\$278.96
7. Gross premiums written during this period less cancellation	\$51,682.12	\$48,145.33
8. Commission	\$20,672.85	\$19,258.13
9. Net premium due with this report	\$31,009.27	\$28,887.20

Demo Bank _____
P.O. 11223344 _____
Jacksonville, TX 75766 _____

The enclosed remittance for 59,896.47 is submitted in connection with the insurance written and/or cancelled as shown above.

	LIFE	DISABILITY
Gross amount of previous carrier returns during this period	\$0.00	\$0.00
Count of certificates returned for previous carriers during this period	0	

- ✓ **Outstanding Policy Report** – An online report that gives the financial institution instant notification of policies / refunds that have not yet been remitted. The OPR will also notify the user of any premium or refund calculation errors. This produces an accuracy never before seen in insurance reporting. The OPR effectively eliminates the 'lost' policy, and/or the refund that was never pulled out of the customer file. This in turn reduces the amount of corrections made during the remitting process and ultimately speeds up the entire reporting process, saving time and money.

Glossary of Terms

A&H

A&H stands for accident and health. Credit disability insurance is also called Credit A&H.

Adjudicate

To make an official decision about who is right in a dispute.

Claimant

A borrower who is covered by a credit insurance policy and who files a claim for a loss that is covered by the policy.

Closed-End Loan

A loan that is for a specified amount and a fixed term. The amount that is borrowed cannot be increased.

Critical Period Disability

Provides for a disability benefit limited to a specified maximum number of monthly payments. For example, a maximum of 12 months per claim occurrence.

Effective Date

The date the insurance coverage begins. It is usually the effective date of the loan.

Gross Pay Life Coverage

Gross pay life (a.k.a., gross note, straight line decreasing, total of payments) coverage is credit life coverage that covers the total of loan payments. That is, principal, interest, insurance premium, and other loan-related fees.

Glossary of Terms

Group Policy

A credit insurance policy that is issued to a lender, where the group is defined as the consumers who obtain loans from that lender. When a borrower enrolls, he or she is enrolled in the group policy and receives a certificate of insurance that shows evidence of insurance.

Installment Loan

A loan that is for a specified amount and a fixed term. The amount that is borrowed cannot be increased and is repayable in equal monthly payments.

Joint Credit Life Insurance

Credit life insurance that insures both the borrower and the co-borrower. If both borrowers die simultaneously, only one death benefit is paid.

Joint Disability Insurance

Disability insurance that covers both the borrower and the co-borrower. Joint disability will pay if either **ONE** of the covered insured's are totally disabled, one monthly disability benefit is paid.

Level Term Life Coverage

Level term life coverage provides a level and constant amount of insurance throughout the entire term of the loan. This type of coverage may be written to include the principal, fees, insurance premium, and the interest or any portion of the total note. Level coverage is typically written when there are irregular payments and/or balloon notes. Most states do not permit level coverage to be written on closed-end installment loans.

Line of Credit

A borrowing limit that has been pre-approved by the lender. Monthly outstanding balance coverage (MOB) is generally written on lines of credit. (See also: open-end loan.)

Glossary of Terms

Monthly Outstanding Balance Coverage (MOB)

A credit life and disability benefit that pays the outstanding balance of the loan (or line of credit) on the date of death and pays the minimum monthly payment (up to the contract limit) in the event of disability. Monthly premiums (usually an amount per \$100 or \$1,000 per month of the outstanding balance) are charged for the insurance.

Net Pay Life Coverage

Net pay (a.k.a., net payoff and net decreasing) coverage is credit life coverage that covers the net balance of the loan. That is, principal, insurance premium, and other loan-related fees but not the unearned interest. If the insured dies, the insurance benefit should be equal to the net loan balance that is due to the creditor. This type of coverage follows a specific amortization schedule for the term of the loan.

Open-End Loan

A loan which may increase in amount at any time. The term of the loan is not fixed. The borrower makes monthly payments for any amount from the lender's required minimum payment up to the outstanding balance of the loan. (See also: line of credit.)

Penetration Rate

A rate that reflects the percentage of eligible borrowers who enroll in credit insurance.

Pre-existing Condition

A condition (either accident or sickness) that the insured receives treatment or is diagnosed for in the six months immediately preceding the effective date of the coverage and causes disability in the six months following the effective date.

Glossary of Terms

Premium

The amount paid for the specified insurance coverage.

Principal

(As in “loan principal.”) The cash that is advanced to the borrower or the part of the product’s purchase price that is being financed. Other portions of the loan may include interest and other fees.

Retroactive Waiting Period

A type of waiting period in which an insured must wait the specified number of days before receiving benefits. Once that waiting period is over, benefits are payable back to the first day of loss.

Single Premium

A premium that is charged only once at the inception of the insurance coverage.

Six & Six Preexisting Condition

A preexisting condition exclusion for disabilities. A disability is not covered if the insured becomes disabled from a preexisting condition within six months after the effective date if any treatment and/or diagnosis for that preexisting condition occurred within six months prior to the effective date.

Truncated Coverage

Truncated life coverage is written to insure the first portion of the loan. It covers the net balance of the loan. That is, principal, insurance premium, and other loan-related fees but not the unearned interest. This type of coverage follows a specific amortization schedule for the term of the loan. Truncated coverage means partial coverage.

INSTRUCTIONS:

Once you have completed the online training, [click here](#) to complete the test questions, then click on submit.

If 70% or more of your answers are correct, you will receive your certificate VIA email.

Make sure you include your name, company name and company address on your test.

Good luck!!