

BORROWER 1 NAME	BORROWER 2 NAME
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**LOAN PAYMENT PROTECTION CONTRACT ("Contract")**

**PROTECTED LOAN(S)**

ACCOUNT NUMBER: \_\_\_\_\_

**OPTIONS**

YOU ELECT THE FOLLOWING OPTION: (check only one box)	Life, Disability and Unemployment	Disability and Unemployment	Life	No Protection
	<input type="checkbox"/> - Loss of Life <input type="checkbox"/> - Disability <input type="checkbox"/> - Involuntary Unemployment	<input type="checkbox"/> - Disability <input type="checkbox"/> - Involuntary Unemployment	<input type="checkbox"/> - Loss of Life	
Program Fee: Cost per \$100 of the Monthly Outstanding Loan Balance*				

Estimated Total Fees for Option chosen (Closed-End Only)	\$ _____
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This Contract protects the first two Borrowers listed on the lending agreement. The protected Borrower(s) may not qualify for all benefits.

**NOTICES:**

\*If the Outstanding Balance is greater than \$50,000, the rate will not be applied to the amount that exceeds \$50,000.

The Contract contains certain terms, conditions and exclusions. Subject to those terms, conditions and exclusions, You are eligible for protection under this Contract if You are a Borrower on the Loan on the Effective Date of Protection and meet the eligibility requirements below.

**ELIGIBILITY QUESTIONS:**

If electing Disability or Involuntary Unemployment, You must answer Question 1.

1. Are You working twenty-five (25) hours or more per week?

Borrower 1	Borrower 2
<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

If at least one Borrower answered "Yes" to Question 1, both Borrowers are eligible for Disability or Involuntary Unemployment.

Please read this Contract in its entirety. You are bound by the terms and conditions. **This Contract is voluntary and not required to obtain credit. We will not consider whether or not You elect protection in making a credit decision.** We reserve the right to refuse Your purchase of the protection. This Contract explains the terms that both the Borrower(s), herein referred to as "You" or "Your" and the Creditor, herein referred to as "We", "Us", or "Our", agree to follow. This Contract contains the conditions upon which We will cancel all or a portion of the Protected Balance and/or cancel the Daily Payment and/or interest only and the Program Fee. This contract replaces all credit insurance policies and/or certificates, similar payment protection plans, and program contracts You previously entered into with respect to the Loan.

**Your signature or authentication below means:** (a) that You meet the eligibility requirements shown above; (b) that Your election above will remain in effect, according to the terms of the Contract, unless subsequently modified; (c) that You agree that You have received and thoroughly read the Contract; (d) that You agree to pay for and, if we choose to do so, let Us add the Program Fee to Your Loan balance each month, which would subject the Program Fee to finance charges like the rest of Your Outstanding Balance; (e) that the Program Fee is subject to change; and (f) if the "No Protection" checkbox is marked or if no checkbox is marked in the Options section, You do not have protection.

BORROWER 1 SIGNATURE	DATE
<b>X</b>	

BORROWER 2 SIGNATURE	DATE
<b>X</b>	

***For Creditor Use Only***

By phone conversation, I hereby represent that the above referenced member has authorized election of the specified option(s) indicated above.

DATE	TIME

SIGNATURE OF CREDITOR EMPLOYEE
<b>X</b>

## CONTRACT

### DEFINITIONS

**ACCIDENTAL INJURY** means bodily harm that is unforeseen, unexpected, involuntary and due to an external cause.

**ACTIVE EMPLOYMENT OR ACTIVELY EMPLOYED** means that You are employed for income twenty-five (25) hours or more per week.

**ACTIVELY WORKING** means You are at work and actually performing a job.

**ADMINISTRATOR** means CUNA Mutual Insurance Agency, Inc., 5910 Mineral Point Road, Madison, Wisconsin 53705, one of its affiliates or a contracted third party.

**ADVANCE** means each extension of credit We provide to You under a Loan.

**BORROWER** means a person who is obligated to repay the Advance to Us, either solely, principally or jointly and severally. A Borrower does not include guarantors.

**DAILY PAYMENT** means one-thirtieth (1/30th) of the monthly Protected Payment.

**EFFECTIVE DATE OF PROTECTION** means the later of: (1) the date You purchased protection under this program option; or (2) the date We reinstate Your protection under this Contract if applicable.

**LOAN** means a closed-end note or an open-end credit plan as set forth in the protected Loans section on this Contract.

**NON-PROTECTED ADVANCE** means any Advance not protected according to the Non-Protected Events section of this Contract.

**OUTSTANDING BALANCE** means the outstanding Loan balance under a protected Loan.

**PROGRAM FEE** means the amount You pay for protection under the Contract. The rate used to determine the Program Fee is subject to change. You will receive notice before any increase goes into effect. For some Loans, the Program Fee will be added to the Outstanding Balance each month. This may result in an increase in Your monthly payment or an increase in the period of time necessary to repay the Loan balance. For all Loans, the due date for payment of the Program Fee is the same as the due date for Your Loan payment. Funds received for payment will be applied first to late fees, then to accrued interest, then to unpaid Program Fee(s), and any remaining amount to principal. If You do not want Us to apply a portion of the payment to Program Fee(s), You must notify Us of Termination of Protection (as described in the general provisions below.)

**PROTECTED BALANCE** means the principal, interest, the Program Fee and any amounts which the Creditor and the Borrower agreed to finance as part of the Loan. It does not include any other fees, any Non-Protected Advances, the amount of any payment that represents past due payments or amounts that exceed any credit limit for the Loan. A scheduled lump-sum balloon payment will be protected for the amount of the minimum payment due for the period immediately preceding the scheduled balloon payment. For interest cancellation options, the Protected Payment will be the interest and Program Fee due on the Protected Balance. For variable rate and/or variable payment Loans, the Protected Payment will remain equal to the protected Payment as of the first day of the protected event. Additionally, any Advance taken during any period of Disability or Involuntary Unemployment will not be protected and the payment for that Advance will not be cancelled. You are responsible for repaying any amounts that are not cancelled.

**PROTECTED PAYMENT** means the minimum payment amount, including principal, interest, and the Program Fee, due on the Protected Balance.

**PROTECTION ACTIVATION** means the cancellation of Your Daily Payment in accordance with the terms and provisions of the Contract.

**SICKNESS** means a disease, illness or condition that affects the body and causes bodily malfunction or discomfort.

**TEMPORARY EMPLOYEE** means an employee of a single employer working in a limited-term employment assignment or an employee working in a contingent or temporary employment assignment with a different entity than the employee's employer and is not paid by the entity where such employee actually performs work.

### PROTECTED EVENTS

We will protect the Loan(s) according to the terms of this Contract if You purchased protection and You have paid the applicable Program Fee. Throughout the life of the Loan, You must qualify for protection at the time of Protection Activation. It is Your responsibility to notify Us if Your circumstances change.

#### **LOSS OF LIFE (Included with Life, Disability and Unemployment and Life)**

If Your death occurs:

- before the end of the month during which You reach Your 70th birthday, We will cancel 100% of Your Protected Balance as of the date of death, up to a maximum of \$50,000.
- after the end of the month during which You reach Your 70th birthday, We will cancel 25% of Your Protected Balance as of the date of death, up to a maximum of \$12,500.

If two protected Borrowers die, We will cancel the lesser of the Loss of Life amount for each protected Borrower or the Protected Balance.

#### **DISABILITY (Included with Life, Disability and Unemployment and Disability and Unemployment)**

Disability means You are unable, because of a medically determined Accidental Injury or Sickness, to perform all of the essential functions of Your occupation at the time Your Disability starts, and You are under the regular care and treatment of a licensed physician. If You are not employed when Your Disability starts, Disability always means You are unable, because of a medically determined Accidental Injury or Sickness, to perform the essential functions required of any occupation for which You are reasonably qualified by training, education or experience.

**To qualify for Disability protection, You must:** (1) meet the definition of Disability for at least thirty (30) consecutive days; and (2) not be Actively Working at any job or combination of jobs paying You an income equal to or exceeding 80% of the income You were earning from Your Active Employment immediately preceding the date You qualified for Disability.

For each period of Disability, We will cancel the Daily Payment for each day that You are disabled beginning with the thirty-first (31st) day of Disability and continuing for up to twelve (12) months.

**Cancellation of Your Protected Payment will stop the earliest of:** (1) twelve (12) months of Daily Payments have been cancelled; (2) \$12,000 maximum per period of Disability has been reached; (3) You no longer have a Protected Balance, Your Loan is paid-off or discharged for any reason; (4) the date You return to Actively Working at any job or combination of jobs paying You an income equal to or exceeding 80% of the income You were earning from Your Active Employment immediately preceding the date You qualified for Disability; (5) You no longer qualify for Disability protection; or (6) You are deceased.

#### **INVOLUNTARY UNEMPLOYMENT (Included with Life, Disability and Unemployment and Disability and Unemployment)**

Involuntary Unemployment means that You involuntarily lost Your Active Employment.

**To qualify for Involuntary Unemployment protection, You must meet the following requirements at the time of Protection Activation and throughout the protected period:** (1) You meet the definition of Involuntary Unemployment for at least thirty (30) consecutive days; (2) You are receiving or have received state unemployment benefits for the period of unemployment for which You are requesting Protection Activation; (3) You are seeking Active Employment; and (4) You provide Us or Our Administrator with proof of qualification for Involuntary Unemployment protection at the time of Protection Activation and throughout the protected period.

**NOTE: An award for unemployment benefits from Your state agency does not guarantee cancellation of Your Protected Payment under this Contract.**

We will cancel the Daily Payment for each day that You qualify for Involuntary Unemployment, beginning with the later of the thirty-first (31st) day of Involuntary Unemployment or the first day after any severance pay has ceased and continuing until the earliest of: (1) We have cancelled six (6) months of payment per period of Involuntary Unemployment; (2) We have cancelled \$6,000 of payment per period of Involuntary Unemployment; or (3) Your entire Protected Balance has been cancelled.

**Protection Activation will not be provided for Involuntary Unemployment resulting from:** (1) any annual, regularly scheduled or seasonal layoff; (2) any period of unemployment that occurs while You are a Temporary Employee, independent contractor, self-employed or employed by a joint Borrower; (3) retirement; (4) vacation; (5) strike; (6) unionized labor dispute; (7) lockout; (8) sabbatical; (9) Family Leave; (10) Disability; (11) termination due to Your willful or criminal misconduct; (12) resignation by agreement with Your employer; (13) voluntary furlough; (14) voluntary unemployment; (15) voluntary loss of wages; or (16) spousal relocation.

#### **NON-PROTECTED EVENTS**

An otherwise Protected Event will not be protected under this Contract if it:

- is due to the commission of a felony;
- is caused by or results from an atomic explosion or any other release of nuclear energy (except when used solely for medical treatment);
- is the result of cosmetic surgery;
- is the result of an assisted suicide or an attempted assisted suicide; or
- occurs prior to the Effective Date of Protection.

An otherwise protected event will not be protected by **Loss of Life** protection if it:

- occurs within the six (6) months immediately following the Effective Date of Protection, and is related to a pre-existing condition for which You received advice, diagnosis, or treatment (including medication) within the six (6) months immediately preceding the Effective Date of Protection; or
- is the result of a suicide or an intentionally self-inflicted injury that occurs within the twelve (12) months immediately following the Effective Date of Protection.

An otherwise protected event will not be protected by **Disability** protection if it:

- occurs within the six (6) months immediately following the Effective Date of Protection, and is related to a pre-existing condition for which You received advice, diagnosis, or treatment (including medication) within the six (6) months immediately preceding the Effective Date of Protection;
- is related to a normal pregnancy; or
- is due to an intentionally self-inflicted injury.

An otherwise protected event will not be protected by **Involuntary Unemployment** protection if it:

- occurs within the six (6) months immediately following the Effective Date of Protection; or
- is due to an intentionally self-inflicted injury.

#### **GENERAL PROVISIONS**

**CHANGING YOUR OPTIONS.** You must provide Us written notice of any request to change Your options. If You add a protected event, the effective date for the additional protected event is the date You purchased protection for that protected event. (This will not change the effective date for any previously elected protected event(s).) If You remove a protected event, the termination date is the date You removed protection for that protected event, which can never precede the date of Your written notice.

**CHANGING THE TERMS OF THIS CONTRACT.** We reserve the right to change the terms of this Contract and apply those changes to the protection You purchased under this Contract. You will receive notice before any change goes into effect. Your continued payment of the Program Fee will constitute Your acceptance of the change in terms.

**CONCURRENT PROTECTED EVENTS.** For each protected Borrower, the amount cancelled will be applied to the dollar and term limitations for each protected event. We will never cancel more than the Daily Payment for any one day. If You qualify for Disability (original protected event) and sustain an additional Sickness or Accidental Injury, which would be in and of itself disabling, the additional Sickness or Accidental Injury will not be considered a new Disability protected event, but rather will be considered the same protected event. This means that You will receive benefits only if You did not exhaust Your maximum protected event benefits in connection with the original protected event.

**CONTINUED EFFECTIVENESS.** If any part of this Contract is determined to be unenforceable, it does not affect the validity of the rest of the Contract.

**ERRORS AND ADJUSTMENTS.** If We have inadvertently deviated from the terms of this Contract, We will make the necessary adjustments when the error is discovered. If We cancel more benefits than You are entitled to under this Contract, You will remain obligated to pay these amounts to Us within thirty (30) days of receipt of written notification from Us as if no cancellation occurred.

**LOAN OBLIGATION.** Protection under this Contract does not affect, alter, or otherwise relieve Your obligations under Your Loan with Us. Whether or not You have made a request for Protection Activation, You remain obligated to make payments to Us and to comply with the terms of Your Loan.

**LOAN OBLIGATION AFTER A PROTECTED EVENT.** During the time it takes to process Your Protection Activation, You remain responsible for making at least the minimum required Loan payment due on the Loan by the payment due date. If the required minimum Loan payment due is greater than the Protected Payment, You are responsible for paying the difference to Us. Upon approval of Your Protection Activation, We will refund to You or credit to Your account any Loan payments You made during the processing period that were eligible for cancellation.

**MISSTATEMENT OF MATERIAL FACT.** If We find that You provided false or inaccurate information We reserve the right to terminate Your protection. If a Protection Activation has been filed, the Protection Activation will be denied.

**PAST EVENTS.** This Contract does not protect You from events that occurred before You purchased protection.

**PROOF OF A PROTECTED EVENT.** You must notify Us or Our Administrator of a protected event as soon as possible. You are responsible for providing, and continuing to provide, all the information required by Us to determine qualification for Protection Activation for the protected event. If You fail to provide all the information required by Us to verify Your continued qualification for Protection Activation We will not cancel all or a portion of the interest, Daily Payment, Program Fee, or Protected Balance. All information must verify the protected event to Our satisfaction. We will only make cancellations if You have a Protected Balance at the time of the protected event.

**RECURRENCE OF SAME OR RELATED PROTECTED EVENTS.** If the same type of protected event occurs again within one (1) year after You have recovered or returned to Active Employment, We will treat this as one protected event subject to the initial protected event's terms and conditions, including, but not limited to the maximum number of cancellations for the initial protected event. No additional benefits will be activated once You have reached any of the initial protected event's maximums. For Disability, this only applies if You suffer a Disability due to the same condition.

If the same type of protected event (for Disability the same condition) occurs again more than one (1) year after You have recovered or returned to Active Employment, We will consider it a new protected event and You will need to satisfy all requirements to qualify for Protection Activation. This provision applies whether You return to Active Employment with the same or a different employer.

**REFINANCING.** If Your Loan is paid off, refinanced, or is discharged for any reason, Protection Activation will cease, regardless of the number of cancellations You may otherwise be entitled to. However, if You refinance the Loan with Us, We will treat the refinanced Loan as a continuation of the previously protected Loan. Your Protection Activation will continue without having to re-qualify for eligibility.

**TAX IMPLICATIONS.** You may be subject to federal, state, and local taxes on the amount of Your cancelled Protected Payment or Protected Balance. You should consult Your tax advisor. We or Our Administrator will not provide You with guidance on the tax implications, if any, of a cancelled debt.

**CONTRACT**

**TERMINATION OF PROTECTION.** You may terminate protection on Your account(s) at any time by providing Us with written notice at least five (5) business days prior to the requested termination date. If You do so within thirty (30) days of purchasing protection, We will credit You for any Program Fees charged for the protected account(s). Termination will not affect benefits for a protected event that occurred prior to the termination date as long as an Outstanding Balance remains on the protected account(s).

**We reserve the right to terminate Your protection:**

- on the last day of the month during which Your Loan and/or Program Fee is three (3) months or more delinquent or past due; or
- if We give You written notice at least thirty (30) days in advance of the termination (or as required by law).

Contact Us with any questions on this Contract.