

CMFG Life Insurance Company

Home Office:
2000 Heritage Way • Waverly, IA 50677
Administrative Office:
5910 Mineral Point Road • Madison, WI 53705
Phone: 800.356.2644

**MONTHLY PREMIUM OPEN-END
GROUP CREDIT INSURANCE
CERTIFICATE (PART B)
SINGLE OR JOINT COVERAGE
NET LIFE AND DISABILITY****Credit Card**

This certificate summarizes the terms and conditions of coverage for credit life insurance ("life insurance") and credit disability insurance ("disability insurance") as provided in the group credit insurance policy ("group policy") issued to the Credit Union, which is available for Your review at the Credit Union's main office location. This certificate is subject to that group policy in every respect. If You meet the eligibility requirements provided on the Credit Insurance Application and Certificate (Part A), You apply for this insurance, and You agree to pay the insurance charges, You are insured for the coverage marked in the Schedule, subject to the terms of the group policy. This certificate does not provide coverage for You unless You are insured. Words that are capitalized in this certificate are either defined terms that always have the meanings explained in the Definitions section below, or they are references to terms provided in the Schedule and have the meanings or values stated in the Schedule.

GENERAL PROVISIONS

What is the insurance contract? The group policy issued to the Credit Union, the application on which it is based, Your individual application, the Schedule, and any endorsements, riders and amendments to the group policy make up the entire contract. The group policy may be amended.

When and to whom are benefit payments made? We will pay any benefits You are owed under Your life or disability insurance to the Credit Union as first beneficiary to reduce or extinguish Your outstanding Loan balance. A life benefit will be paid no later than 2 months after We determine that You are owed a benefit according to the terms and conditions of this insurance. If You are owed disability benefits under the terms of this insurance for a continuous period of Total Disability that lasts longer than one month, benefit payments will be paid monthly. Any balance remaining unpaid at the termination of Our liability will be paid upon receipt of written proof. If the benefits are more than the balance of Your Loan, We will pay the difference to You if You are living or to the secondary beneficiary named by You. In the absence of such designation, to Your surviving spouse or to Your estate.

Does this insurance affect or change Your Loan obligation? This insurance does not affect, alter, relieve, or otherwise modify Your obligations under Your Loan agreement with the Credit Union. Whether or not You have made a claim for benefits, You remain obligated to the Credit Union to comply with the terms of Your Loan agreement.

How are insurance charges charged to You? Insurance charges will be added to Your Loan balance each month and will be subject to finance charges at the interest rate applicable to the Loan. Your insurance charge is determined by applying the appropriate insurance rate to Your outstanding Loan balance up to the Total Benefit Maximum for life insurance or for disability insurance, depending on the coverage You elected. The monthly insurance charge may change while Your insurance is in effect if the insurance rate changes or if Your coverage changes. You will be given written notice of any change. You will be provided a statement each month that separately shows the credit life and credit disability insurance charge. The statement will show (a) the amount of the insurance charge; (b) the amount of the indebtedness to which the insurance charge was applied; (c) the date the rate was applied; (d) the period covered by the monthly charge; (e) notification of any rate change at least 30 days prior to the effective date of the rate change, with instructions that You attach the notice to Your certificate; and (f) notification of any pre-established insurance termination date due to underwriting or eligibility guidelines.

What if Your Loan is refinanced? If Your Loan is refinanced or converted from an open-end Loan to a closed-end Loan, the Effective Date of Insurance with respect to the Loan amount that existed at the time of the refinancing or conversion will remain the original Effective Date of Insurance. However, the Effective Date of Insurance for any new amount added to the Loan balance will be the date that new Loan amount is funded or disbursed. If Your Loan is refinanced or converted during a period of Total Disability, the refinancing or conversion will not change Our benefit obligations.

What if You are issued insurance when You should not have been? If insurance was issued to You in excess of the Total Benefit Maximum, Maximum Monthly Disability Benefit, or Maximum Issue Age shown in the Schedule, We have the right, within 90 days from the date We receive Your application, to reduce the excess coverage, provided the adjustment and the refund for the excess coverage are made prior to the date You qualify for benefits, otherwise, the insurance remains in full force. If Your age was misstated on the application and insurance would not have been issued at Your correct age, We may terminate this insurance at any time and return all insurance charges less any benefits paid. If joint coverage is in effect and We terminate this insurance for only one borrower, insurance will continue on the eligible living borrower and We will return the difference in insurance charges between joint and single coverage.

What if We overpay benefits? If We pay more benefits than You are owed, You are obligated to return the overpayment to Us within 30 days of receipt of written notification of the overpayment from Us. We may seek to have the Credit Union return such overpayment on Your behalf.

Can Your insurance coverage be contested? We may contest the validity of this coverage at any time based on a failure to pay insurance charges. After Your certificate has been in force for two years during Your lifetime, no statement relating to insurability that is made by You in a written application can be used to contest coverage or deny a claim. All statements made by You shall be deemed representations and not warranties. No statement shall be used in any contest unless a signed copy of the instrument containing the statement is or has been furnished to You, or in the case of death to Your beneficiary or personal representative. If insurance is cancelled as a result of contestability, Our liability is limited to a return of any insurance charges paid, provided the termination is accomplished and the appropriate refund is made prior to the incurred date of a claim. Otherwise, this insurance remains in full force. If You have joint coverage, We will return only the difference in paid insurance charges between joint and single coverage.

When does Your insurance terminate? This insurance will automatically terminate for all borrowers on the earliest of: (a) the date the Maximum Term of Insurance, as stated in the Schedule, has elapsed; (b) the last day of the month in which Your Loan is 90 days delinquent or past due; (c) the date You are no longer obligated to repay the Loan to the Credit Union; or (d) the last day of the month during which the group policy is terminated. This insurance will automatically terminate for each borrower individually on the earliest of: (1) the date We or the Credit Union receive Your written request to terminate the insurance or on a date that You select that is after the date on which We or the Credit Union receive Your written request; (2) the date of Your death; or (3) the last day of the month during which You reach the Termination Age stated in the Schedule. Life and disability insurance may have different Termination Ages or Maximum Terms of Insurance which means one may terminate but the other continues. If joint coverage is in effect and insurance terminates for only one borrower, single coverage will continue for the eligible living borrower until that borrower's insurance terminates as provided in this section. However, life insurance terminates for both borrowers after a life insurance benefit has been paid. We will return any insurance charges paid after the date insurance terminates (if You have joint life coverage and only one borrower's insurance terminates, We will return only the difference in paid insurance charges between joint and single coverage). Early termination of insurance will be without prejudice to any claim originating prior to such termination.

When do You get a refund of insurance charges and how is the refund calculated? If Your insurance stops for any reason, We will refund any insurance charge paid for any period of time after Your insurance stopped. Early termination of insurance will be without prejudice to any claim originating prior to such termination. The Credit Union must notify us within 60 days of termination. The Credit Union covered by this insurance. The Credit Union is also required to provide Your name, address and the Loan pay-off date. The refund or credit of any unearned premium will be paid or credited promptly to the persons entitled to it no later than 30 days after receipt of the notice of

early termination of this insurance. If We pay a life insurance benefit, the life premium will be fully earned and any unearned disability premium will be refunded to Your secondary beneficiary, if any, or to Your estate. If We pay the Loan off as a disability insurance benefit, the disability premium will be fully earned and any unearned life premium will be refunded to You, if living, otherwise to Your secondary beneficiary, if any, or to Your estate. Refunds or credits for life and disability insurance will be calculated using the Pro Rata method. No charge for insurance will be made for the first 15 days of a Loan month. A full month may be charged if coverage has been provided for 16 days or more of a Loan month. Refunds of less than \$3.00 will not be made.

What if the group policy terminates? If the group policy is terminated for any reason, Your insurance will terminate on the last day of the month during which the group policy is terminated. You will receive written notice at least 31 days prior to insurance terminating.

What is the grace period? A grace period of 31 days will be given for the payment of each insurance charge due after payment of the first insurance charge. During the grace period, coverage will continue in force unless You have given Us written notice of termination in advance of the date of termination and in accordance with the terms of this certificate. If You should die during the grace period, the overdue insurance charge may be deducted in any settlement made under this certificate.

What if this certificate does not conform to state law? Any provisions of this certificate which, on the Effective Date of Insurance, are in conflict with the laws of the state in which it has been issued, are changed to conform to the minimum standards of those laws.

What are the deadlines for legal action against Us or the Credit Union? You cannot start any legal action against Us or the Credit Union until 60 days after We receive proof of Your Total Disability or proof to support a claim for life insurance benefits, and You cannot start any legal action against Us or the Credit Union more than 3 years from the date Your claim is first denied or Your benefits are discontinued, whichever is later.

LIFE INSURANCE

What is the life insurance benefit? The life insurance benefit is the lesser of: (a) the Total Benefit Maximum for life insurance as shown in the Schedule; or (b) the unpaid balance of Your Loan as of the date of Your death and up to 180 days of unpaid accrued interest after the date of Your death, less any Advances excluded from benefit payments under the terms of this insurance.

What does life insurance cover? We will pay a life insurance benefit if You die while You are insured and all other terms and conditions of this insurance are satisfied. If You have joint life coverage, We will pay a life insurance benefit for the death of either insured borrower, but We will pay only one life insurance benefit even if both borrowers die.

What events or Advances are excluded from benefit payments? We will not pay benefits to cover an Advance if Your death is a result of suicide, whether same or insane, within

12 months after the Effective Date of Insurance on the Advance. If an Advance is excluded from benefit payments based on this section because Your death is a result of suicide, We will return any life insurance charges paid that are attributable to that Advance (if You have joint coverage, We will return only the difference in paid insurance charges between joint and single coverage.)

What proof is required to make a claim for life insurance benefits? We must receive a certified copy of the death certificate (or other lawful evidence). We may also request relevant medical records, Your application for this insurance, and a copy of Your Loan records. (We will only request these records in the event they are necessary in the review of Your claim).

DISABILITY INSURANCE

How do You qualify for disability benefits? You qualify for disability benefits if: (a) You first meet the definition of Total Disability while You are insured; (b) Your Total Disability lasts longer than the Waiting Period shown in the Schedule; (c) You are under the regular care and treatment of a licensed physician other than You or an immediate family member; and (d) all other terms and conditions of this insurance are satisfied. If You have joint disability coverage, each borrower must qualify for benefits independently of the other borrower.

What if Your disabling condition recurs? If Your disabling condition recurs within 7 calendar days after You have recovered from Your most recent period of Total Disability, We will consider it a continuation of that period of Total Disability and no new Waiting Period will apply. If the disabling condition recurs more than 7 calendar days after You have recovered, We will consider it a new period of Total Disability and You will have to qualify for disability benefits again. If Your Total Disability is based on a new disabling condition, We will consider it a new period of Total Disability. You have "recovered" for purposes of this insurance if either: (a) You are capable of performing all of the essential functions of the occupation You had at the time Your most recent period of Total Disability started; or (b) if unemployed at the start of Your Total Disability, You are able to perform the essential functions required of any occupation for which You are reasonably qualified by education, training or experience.

What disabilities or Advances are excluded from benefit payments? We will not pay benefits for a Total Disability that results directly or indirectly from a normal pregnancy. We will not

pay benefits to cover an Advance if Your Total Disability results directly or indirectly from a Pre-Existing Condition and Your Total Disability starts within 6 months after the Effective Date of Insurance on the Advance. An Advance will not be excluded from benefit payments under the Pre-Existing Condition exclusion if Your Total Disability starts more than 6 months after the Effective Date of Insurance on that Advance.

What do We pay? For each full month during which You qualify for benefits, We will pay as a monthly disability benefit the lesser of: (a) the minimum monthly Loan payment required for Your Loan as of the date Your Total Disability started (less any amount of that Loan payment attributable to Advances excluded from benefit payments under the terms of this insurance); or (b) the Maximum Monthly Disability Benefit shown in the Schedule. For periods less than a full month, We will pay an amount equal to 1/30th of the monthly disability benefit for each day You qualify for benefits. If Your Loan is not scheduled for monthly Loan payments, We will calculate Your monthly disability benefit by converting Your scheduled Loan payments to a monthly Loan payment equivalent. If Your monthly disability benefit payment, as determined under this section, is less than Your required monthly Loan payment, or monthly Loan payment equivalent, You are responsible to pay the difference owed to the Credit Union. Your monthly disability benefit is determined at the start of Your Total Disability and will not change during that period of Total Disability even if the required monthly Loan payment changes. If You have joint disability insurance, We will pay only one monthly disability benefit even if both of You are disabled.

What do We not pay? We will not pay benefits to cover late fees, unscheduled or additional finance charges, balloon payments, Advances excluded from benefit payments under the terms of this insurance, or any money added to the principal balance of Your Loan after the date Your Total Disability starts, even if any of those amounts are incurred while a claim is being reviewed. Payment of those amounts will always remain solely Your responsibility.

How do We calculate the start date for Your benefit payments? If the Schedule states that Your benefits begin retroactively, Your benefits will be calculated from the first day of Your Total Disability. If the Schedule states that Your benefits begin non-retroactively, Your benefits will be calculated from the day after the Waiting

Period stated in the Schedule. In any case, You must meet the definition of Total Disability for longer than the Waiting Period to qualify for benefits.

When do Your benefit payments stop? Your disability benefit payments will stop when any of the following conditions are met: (a) You no longer meet the definition of Total Disability; (b) Your Loan balance (as of the date Your Total Disability started, less any Advances excluded from benefit payments under the terms of this insurance) has been paid in full by any means; (c) the date is reached when Your Loan balance (as of the date Your Total Disability started, less any Advances excluded from benefit payments under the terms of this insurance) should have been paid in full had the required Loan payments been made on time and in accordance with the terms of the Loan agreement, and the interest rate and Loan payment requirements in place on the date Your Total Disability started; (d) You are no longer obligated to repay the Loan to the Credit Union; (e) disability benefits have been paid equal to the Total Benefit Maximum for disability insurance as provided on the Schedule; (f) You fail to provide the required proof of Your Total Disability; or (g) You are deceased.

What proof do You need to provide to make a claim for disability benefits? You must provide Us proof of Your Total Disability and, upon request, Your application for this insurance. We may also request relevant employment and income records and We may also request from You or the Credit Union Your Loan records (We will only request these records in the event they are necessary in the review of Your claim). Your proof of Total Disability must contain the date and the cause of Your Total Disability, a statement about the seriousness of the disability and a signature of a treating physician other than You or an immediate family member. Claim forms will be available from the Credit Union or, upon request, will be provided by Us. Upon request, You will be required to provide proof of continued Total Disability from time to time, including additional medical proof signed by a treating physician other than You or an immediate family member.

Can We require a physical examination? We may require You to participate in an independent medical examination as often as reasonably necessary in order to obtain the proof We require to determine if You qualify for disability benefits. We will pay the cost of any such examination.

What are the deadlines for providing proof of Total Disability? You are required to provide Us proof of Total Disability as soon as possible and no later than 15 months from the date Your Total Disability begins. If We request proof of continued Total Disability, You will be required to provide such proof as soon as possible and no later than 15 months from the date of Our first request for such proof. We will not accept proof of Total Disability that is provided after the period in which it is required to be provided, unless You were legally incapable of providing the proof. Regardless of the deadlines for providing proof, if We do not receive requested proof of continued Total Disability, We may suspend or stop benefit payments until the required proof is received.

DEFINITIONS

Advance. An "Advance" means each disbursement of money on a Loan by the Credit Union to You at Your direction or request.

The Credit Union. The "Credit Union" means the creditor that issued the Loan as shown in the Schedule and that is the group policyholder of this insurance.

Effective Date of Insurance. The "Effective Date of Insurance" is the later of: (a) the date of an Advance; or (b) the date the application for this insurance is signed (if joint coverage is in effect, the date of the last signing). Each Advance will have its own Effective Date of Insurance.

Loan. A "Loan" means the money lent to You by the Credit Union under a lending agreement, for which You have elected this insurance and have agreed to pay insurance charges.

Pre-Existing Condition. A "Pre-Existing Condition" is an illness, disease, or medical condition for which You received medical advice, consultation, or treatment within the 6 month period immediately prior to the Effective Date of Insurance.

Schedule. The "Schedule" means the "Schedule of Credit Insurance" that is attached to or part of Your "Credit Insurance Application and Certificate (Part A)". The terms and provisions in the Schedule have the same meaning when used in the Schedule or in this certificate.

Total Disability. During the first 12 consecutive months of disability, "Total Disability" means You are unable, because of a medically determined sickness or accidental injury, to perform all of the essential functions of Your occupation at the time Your disability starts. After the first 12 consecutive months of disability, the definition of "Total Disability" changes to mean You are unable, because of a medically determined sickness or accidental injury, to perform the essential functions required of any occupation for which You are reasonably qualified by education, training or experience. If You are no longer employed when Your disability starts, "Total Disability" always means You are unable, because of a medically determined sickness or accidental injury, to perform the essential functions required of any occupation for which You are reasonably qualified by education, training or experience.

We, Us and Our. "We", "Us", and "Our" mean CMFG Life Insurance Company.

You and Your. "You" and "Your" mean the borrower, and, if joint coverage is elected, "You" and "Your" mean spouses or business partners who are jointly and severally liable for repayment of the Loan and who are joint borrowers on the Loan.

CI-MP-CERT-OE-S1 TX(1153, 1131 OE)

The Credit Union Difference



people helping people

MEMBER'S CHOICE® Payment Protection for Credit Cards

BORROWER COPY

IMPORTANT – RETAIN FOR YOUR RECORDS

**TEXHILLCO SCHOOL EMPLOYEES
FEDERAL CREDIT UNION**

1018 Sidney Baker St
Kerrville, TX 78028

830.896.3977

www.texhillco.org

Credit Union complete below:

Borrower 1 Name

Borrower 2 Name

Account No.