



Western New York
FEDERAL CREDIT UNION

THIS IS NOT A CONTRACT FOR INSURANCE
Credit Card

BORROWER 1 NAME

BORROWER 2 NAME

ACCOUNT NUMBER

DEBT PROTECTION CONTRACT ("Contract")

PROTECTED LOAN

APPLICATION NUMBER:

OPTIONS

You elect the
following Option:
(Check only one box)

☐ **LifePlus
Disability &
Unemployment**

- Life Plus
- Disability
- Involuntary
Unemployment

☐ **No Protection**

**Program Fee:
Rate per \$100 of the
Monthly Outstanding
Loan Balance**

\$0.363

This Contract protects the first two Borrowers listed on the lending agreement.

ELIGIBILITY QUESTION:

Subject to the 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.

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

1. Are You actively working, for wages or profit, for 25 hours or more per week on the date You sign this Contract?

You will be considered actively working if You are absent from work due to sabbatical, strike, or vacation, but will soon return to work. You will not be considered actively working if You are on an Annual, Regularly Scheduled or Seasonal Layoff, medical or Disability leave.

Borrower 1 ☐ Yes ☐ No

Borrower 2 ☐ Yes ☐ No

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

Important Notices: Please read this Contract in its entirety. You are bound by the terms and conditions of this Contract.

- We reserve the right to refuse Your purchase of the protection.
- In this Contract, the term "You" or "Your" mean the Borrower(s) and "We", "Us", or "Our" mean the Creditor.
- Protection is voluntary and not required to obtain credit. We will not consider whether or not You elect protection in making a credit decision.
- This Contract contains terms and conditions which may limit or exclude benefits.
- You may not qualify for all benefits.
- Protection is limited to a maximum of \$75,000. You will not be charged a Program Fee on any amount greater than this maximum.
- Protection for Life Plus protection will be reduced at the end of the month during which You reach Your 70th birthday.
- This Contract contains the conditions upon which We will cancel all or a portion of the Protected Balance and/or cancel the Protected Payment and the Program Fee. The terms and conditions which explain how We will cancel all or a part of Your Protected Balance are provided in this Contract.
- 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.

☐ **Subsequent Election**

If the election above represents a replacement of credit insurance, similar payment protection or a change in the program for an existing Loan, and the cost of the newly elected protection results in an increased Program Fee, You agree to increase Your monthly payment according to the terms of Your credit card account agreement.

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, where applicable, 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 fee You are charged for this protection 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

X

Borrower 2 Signature

Date

X

CONTRACT

DEFINITIONS

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

ACTIVE EMPLOYMENT means that You are employed for wages or profit 25 hours or more per week.

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.

ANNUAL, REGULARLY SCHEDULED OR SEASONAL LAYOFF means unemployment due to expected lack of work during certain times of the year.

BORROWER means a natural person who is obligated to repay the Advance to Us, either solely, principally or jointly and severally.

EFFECTIVE DATE OF PROTECTION means the later of: (a) the date You purchased protection under this program option; or (b) 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 & Advances section of this Contract.

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

PROGRAM FEE means the amount You pay monthly for protection under the Contract. The amount You pay is applied in arrears. This means the monthly amount You pay is for the previous month of protection. The rate used to determine the Program Fee is subject to change. You will receive notice before any increase goes into effect.

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, or any Non-Protected Advances. Additionally, any Advance taken during any period of Life Plus, Disability or Involuntary Unemployment will not be protected and the payment for that Advance will not be cancelled. You are responsible for re-paying any amounts that are not cancelled.

PROTECTED PAYMENT means the greater of: (a) the minimum payment required on Your Protected Balance; or (b) \$200.00. The amount We cancel will never be greater than the amount You owe on the Protected Balance. It does not include the amount of any payment that represents a past-due payment. For interest cancellation options, the Protected Payment will be the interest and Program Fee due on the Protected Balance. 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 Life Plus, Disability or Involuntary Unemployment will not be protected and the payment for that Advance will not be cancelled. You are responsible for re-paying any amounts that are not cancelled.

PROTECTION ACTIVATION means the cancellation of Your Protected 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.

WILLFUL OR CRIMINAL MISCONDUCT means an act of willful disregard of the employer's interests, a deliberate violation of the employer's rules, a disregard of the standards of behavior which the employer has a right to expect of an employee, or negligence indicating an intentional disregard of the employer's interests or of the employee's duties and obligations to the employer, or any unlawful behavior as determined by local, state or federal law.

PROTECTED EVENTS

We will protect the Loan(s) according to the terms of this Contract if You purchased protection and You pay 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.

LIFE PLUS (Included with LifePlus Disability & Unemployment)

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 \$75,000.
- 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 \$18,750.

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

Life Plus protection includes the following Protected Events. To qualify for:

- **Accidental Dismemberment:** You must have an injury caused only by external, violent and accidental means and results in the total irrecoverable loss of sight in one or both eyes, the loss of one or both feet by actual severance or amputation at or above the ankle, or the loss of one or both entire hands by actual severance or amputation at or above the wrist. Dismemberment must occur within 90 days of the injury which caused it.
- **Terminal Illness:** You must have received a certified diagnosis from a licensed physician, other than You or an immediate family member, of a Terminal Illness with a life expectancy of 12 months or less. Protection Activation will begin on the date Your Terminal Illness is certified.
- **Hospitalization:** You must be admitted to a hospital for at least 48 consecutive hours.
- **Family Medical Leave:** You, with Your employer's written approval, take an unpaid leave of absence from Your Active Employment for at least 14 consecutive days to attend to the needs of Your newborn, newly adopted or foster child, or to care for Your spouse, child or parent with a serious health condition (as defined by the Federal Family and Medical Leave Act). For purposes of this protection, a spouse includes Your spouse, common law spouse or a legally recognized same-sex domestic partner. **This protection will not protect You during a leave of absence that occurs while You are a Temporary Employee, an independent contractor, self-employed, or employed by a joint Borrower.**
- **Loss of Life of a Non-Protected Dependent:** The death of a non-protected dependent, which in the past 2 years was a dependency exemption on Your tax return.

If You qualify for Protection Activation under Hospitalization, Family Medical Leave, or Loss of Life of a Non-Protected Dependent, We will cancel 3 Protected Payments or up to \$3,000, whichever occurs first, one time per a 12 month period beginning with the Protected Event.

If You qualify for Protection Activation under Terminal Illness or Accidental Dismemberment:

- before the end of the month during which You reach Your 70th birthday, We will cancel 100% of Your Protected Balance up to a maximum of \$75,000.
- after the end of the month during which You reach Your 70th birthday, We will cancel 25% of Your Protected Balance up to a maximum of \$18,750.

NOTE: Protection Activation will not be provided for LIFE PLUS if You no longer have a Protected Balance. If more than one Protected Event occurs for Hospitalization, Family Medical Leave, or Loss of Life of a Non-Protected Dependent within a 12 month period, Protection Activation will only occur once. Additionally, if Protection Activation is occurring for Disability or Involuntary Unemployment, We will cancel 3 Protected Payments or up to \$3,000, whichever occurs first, for Hospitalization, Family Medical Leave or Loss of Life of a Non-Protected Dependent after Protection Activation has stopped for Disability or Involuntary Unemployment. However, if You incur a Terminal Illness or an Accidental Dismemberment, We will cancel according to the terms under **"If You qualify for Protection Activation under Terminal Illness or Accidental Dismemberment"** provision.

DISABILITY (Included with LifePlus Disability & Unemployment)

Disability always 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 begins, and You are under the regular care and treatment of a licensed physician, other than You or a family member. If You are not employed when Your Disability begins, 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: (a) meet the definition of Disability for at least 14 consecutive days; and (b) 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.

After You have satisfied the waiting period and beginning with the 1st day of Your Disability, We will cancel a minimum of 1 scheduled monthly payment(s). Thereafter, We will continue to cancel Your scheduled monthly payment for each 30 days, consecutive or non-consecutive, that You are Disabled, up to a maximum of (a) 12 months or (b) \$12,000. We will never cancel more than 12 monthly Protected Payments during a 12 month period. The calculation of the 12 month period begins on the date Your benefits begin.

Cancellation of Your Protected Payment will stop the earliest of: (a) 12 months of Protected Payments have been cancelled; (b) \$12,000 maximum per period of Disability has been reached; (c) You no longer have a Protected Balance, Your Loan is paid-off or discharged for any reason; (d) 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; (e) You no longer qualify for Disability protection; or (f) You are deceased.

INVOLUNTARY UNEMPLOYMENT (Included with LifePlus Disability & 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: (a) You meet the definition of Involuntary Unemployment for at least 14 consecutive days; (b) You are receiving or have received state unemployment benefits for the period of unemployment for which You are requesting Protection Activation; (c) You are seeking Active Employment; and (d) 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.

After You have satisfied the waiting period and beginning with the 1st day of Your Involuntary Unemployment, We will cancel a minimum of 1 scheduled monthly payment(s). Thereafter, We will continue to cancel Your scheduled monthly payment for each 30 days, consecutive or non-consecutive, that You are Involuntary Unemployed, up to a maximum of (a) 6 months or (b) \$6,000. We will never cancel more than 12 monthly Protected Payments during a 12 month period. The calculation of the 12 month period begins on the date Your benefits begin.

Protection Activation will not be provided for Involuntary Unemployment resulting from: (a) any Annual, Regularly Scheduled or Seasonal Layoff; (b) any period of unemployment that occurs while You are a Temporary Employee, independent contractor, self-employed or employed by a joint Borrower; (c) retirement; (d) vacation; (e) strike; (f) unionized labor dispute; (g) lockout; (h) termination due to Your Willful or Criminal Misconduct; (i) voluntary unemployment; (j) voluntary loss of wages; or (k) spousal relocation.

NON-PROTECTED EVENTS & ADVANCES

An event will not be protected under this Contract if it:

- is the result of a felony committed by You;
- 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 an elective cosmetic surgery;
- is the result of an intentionally self-inflicted injury;
- is the result of an assisted suicide or an attempted assisted suicide; or
- occurs prior to the Effective Date of Protection.

A death event (other than death of a non-protected dependent) will not be protected by **Life Plus** protection if it:

- occurs within the 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 6 months immediately preceding the Effective Date of Protection; or
- is the result of a suicide that occurs within the 12 months immediately following the Effective Date of Protection.

An event (other than Your death) will not be protected under **Life Plus** protection if the event:

- occurs within the 3 months immediately following the Effective Date of Protection.

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

- occurs within the 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 6 months immediately preceding the Effective Date of Protection; or
- is related to a normal pregnancy; however, complications due to pregnancy or childbirth may be protected if the complications themselves are the cause of the Disability.

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

- occurs within the 3 months immediately following the Effective Date of Protection.

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 of Protection for the additional Protected Event is the date You purchased protection for that Protected Event. This will not change the Effective Date of Protection 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 Protected Payment. 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. **In the event a Life Plus, Disability or Involuntary Unemployment event occurs while Protection Activation is occurring for Life Plus, We will not provide Protection Activation for these events until Protection Activation has stopped for Life Plus.**

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 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 minimum required 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, Protected 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 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 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.

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.

TERMINATION OF PROTECTION. You may terminate protection on Your account(s) at any time by providing Us with written notice at least 5 business days prior to the requested termination date. If You do so within 30 days of purchasing protection, We will credit You for any Program Fees charged for the protected account(s). We will credit You for any Program Fees You paid for the period after Your protection terminates. 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).

Your protection will automatically terminate:

- on the last day of the month during which Your Loan and/or Program Fee is 3 months delinquent or past due. If You bring Your protected account current, Your protection will not be reinstated automatically. You must re-purchase protection and meet all requirements to qualify for protection;
- if Your Loan is paid-off, refinanced with a Creditor other than Us, or discharged for any reason; or
- if We give You written notice at least 30 days in advance of the termination (or as required by law).

Contact Us with any questions on this Contract.