

GENERATIONS CREDIT UNION

5618 Harrison Avenue
Rockford IL 61108



Application

HOW TO APPLY

- Please complete front and back of application
- Sign on back page
- Return completed application to credit union
- An incomplete or unsigned application may delay processing

Individual Credit: You must complete the **Applicant** section about yourself and the **Other** section about your spouse if:
 1. you live in or the property pledged as collateral is located in a community property state (AK, AZ, CA, ID, LA, NM, NV, TX, WA, WI),
 2. your spouse will use the account, or
 3. you are relying on your spouse's income as a basis for repayment. If you are relying on income from alimony, child support, or separate maintenance, complete the **Other** section to the extent possible about the person on whose payments you are relying.

Joint Credit: Each Applicant must **individually** complete the appropriate section below. If Co-Borrower is spouse of the Applicant, mark the Co-Applicant box.

Guarantor: Complete the **Other** section if you are a guarantor on an account/loan.

Check below to indicate the type of account(s) and type of credit for which you are applying. Married Applicants may apply for a separate account.

LOANLINER® Account/Loan: Individual Joint Amount Requested \$ _____ Purpose/Collateral: _____
 (Including ATM/Debit Card Access to the Account if Available)

Repayment: Payroll Deduction Cash Military Allotment Automatic Payment

Payment Protection Single Credit Disability Insurance Single Credit Life Insurance Joint Credit Disability Insurance Joint Credit Life Insurance
 Check coverage(s) desired. The credit union will disclose the cost of this voluntary insurance to you. A separate insurance election which discloses the terms and conditions must be signed for coverage to become effective.

Applicant			Other: <input type="checkbox"/> Co-Applicant <input type="checkbox"/> Spouse <input type="checkbox"/> Guarantor		
NAME (Last - First - Initial)		MOTHER'S MAIDEN NAME	NAME (Last - First - Initial)		MOTHER'S MAIDEN NAME
ACCOUNT NUMBER	SOCIAL SECURITY NUMBER		ACCOUNT NUMBER	SOCIAL SECURITY NUMBER	
DRIVER'S LICENSE NUMBER / STATE	LIST AGES OF DEPENDENTS NOT LISTED BY OTHER APPLICANT (Exclude Self)		DRIVER'S LICENSE NUMBER / STATE	LIST AGES OF DEPENDENTS NOT LISTED BY OTHER APPLICANT (Exclude Self)	
BIRTH DATE	HOME PHONE	BUSINESS PHONE/ EXT.	BIRTH DATE	HOME PHONE	BUSINESS PHONE/ EXT.
E-MAIL ADDRESS			E-MAIL ADDRESS		
PRESENT ADDRESS (Street - City - State - Zip)		<input type="checkbox"/> Own <input type="checkbox"/> Rent YEARS AT THIS ADDRESS	PRESENT ADDRESS (Street - City - State - Zip)		<input type="checkbox"/> Own <input type="checkbox"/> Rent YEARS AT THIS ADDRESS
PREVIOUS ADDRESS (Street - City - State - Zip)		<input type="checkbox"/> Own <input type="checkbox"/> Rent YEARS AT THIS ADDRESS	PREVIOUS ADDRESS (Street - City - State - Zip)		<input type="checkbox"/> Own <input type="checkbox"/> Rent YEARS AT THIS ADDRESS
COMPLETE FOR JOINT CREDIT, SECURED CREDIT OR IF YOU LIVE IN A COMMUNITY PROPERTY STATE: <input type="checkbox"/> MARRIED <input type="checkbox"/> SEPARATED <input type="checkbox"/> UNMARRIED (Single - Divorced - Widowed)			COMPLETE FOR JOINT CREDIT, SECURED CREDIT OR IF YOU LIVE IN A COMMUNITY PROPERTY STATE: <input type="checkbox"/> MARRIED <input type="checkbox"/> SEPARATED <input type="checkbox"/> UNMARRIED (Single - Divorced - Widowed)		
Employment/Income			Employment/Income		
NAME AND ADDRESS OF EMPLOYER			NAME AND ADDRESS OF EMPLOYER		
TITLE/GRADE	START DATE	HOURS AT WORK	TITLE/GRADE	START DATE	HOURS AT WORK
SUPERVISOR'S NAME	IF SELF EMPLOYED, TYPE OF BUSINESS		SUPERVISOR'S NAME	IF SELF EMPLOYED, TYPE OF BUSINESS	
NOTICE: ALIMONY, CHILD SUPPORT, OR SEPARATE MAINTENANCE INCOME NEED NOT BE REVEALED IF YOU DO NOT CHOOSE TO HAVE IT CONSIDERED.			NOTICE: ALIMONY, CHILD SUPPORT, OR SEPARATE MAINTENANCE INCOME NEED NOT BE REVEALED IF YOU DO NOT CHOOSE TO HAVE IT CONSIDERED.		
EMPLOYMENT INCOME		OTHER INCOME	EMPLOYMENT INCOME		OTHER INCOME
\$ _____ PER _____		\$ _____ PER _____	\$ _____ PER _____		\$ _____ PER _____
<input type="checkbox"/> NET <input type="checkbox"/> GROSS		SOURCE:	<input type="checkbox"/> NET <input type="checkbox"/> GROSS		SOURCE:
MILITARY: IS DUTY STATION TRANSFER EXPECTED DURING NEXT YEAR? <input type="checkbox"/> YES <input type="checkbox"/> NO			MILITARY: IS DUTY STATION TRANSFER EXPECTED DURING NEXT YEAR? <input type="checkbox"/> YES <input type="checkbox"/> NO		
WHERE		ENDING/SEPARATION DATE	WHERE		ENDING/SEPARATION DATE
PREVIOUS EMPLOYER NAME AND ADDRESS IF EMPLOYED LESS THAN FIVE YEARS		STARTING DATE	PREVIOUS EMPLOYER NAME AND ADDRESS IF EMPLOYED LESS THAN FIVE YEARS		STARTING DATE
		ENDING DATE			ENDING DATE

Applicant Reference	RELATIONSHIP	Other Reference	RELATIONSHIP
NAME AND ADDRESS OF NEAREST RELATIVE NOT LIVING WITH YOU	HOME PHONE	NAME AND ADDRESS OF NEAREST RELATIVE NOT LIVING WITH YOU	HOME PHONE

What You Owe	CREDITOR NAME OTHER THAN THIS CREDIT UNION (Attach additional sheet(s) if necessary)	INTEREST RATE	PRESENT BALANCE	MONTHLY PAYMENT	OWED BY	
					Applicant	Other
<input type="checkbox"/> RENT <input type="checkbox"/> FIRST MORTGAGE (Include Tax and Ins.)			\$	\$		
2nd MORTGAGE			\$	\$		
1st AUTO LOAN			\$	\$		
2nd AUTO LOAN			\$	\$		
CHILD-CARE			\$	\$		
CHILD SUPPORT			\$	\$		
CREDIT CARD			\$	\$		
CREDIT CARD			\$	\$		
OTHER			\$	\$		
OTHER			\$	\$		
LIST ANY NAMES UNDER WHICH YOUR CREDIT REFERENCES AND CREDIT HISTORY CAN BE CHECKED:			TOTALS	\$	\$	

What You Own	LIST LOCATION OF PROPERTY OR FINANCIAL INSTITUTION	MARKET VALUE	PLEGGED AS COLLATERAL FOR ANOTHER LOAN			OWED BY	
			YES	NO	NO	Applicant	Other
HOME		\$		YES	NO		
AUTO		\$		YES	NO		
SAVINGS		\$		YES	NO		
CHECKING		\$		YES	NO		
OTHER (Describe)		\$		YES	NO		

Other Information About You	IF YOU ANSWER "YES" TO ANY QUESTION OTHER THAN #1, EXPLAIN ON AN ATTACHED SHEET	APPLICANT	OTHER
		YES	NO
1. ARE YOU A U.S. CITIZEN OR PERMANENT RESIDENT ALIEN?			
2. DO YOU CURRENTLY HAVE ANY OUTSTANDING JUDGMENTS OR HAVE YOU EVER FILED FOR BANKRUPTCY, HAD A DEBT ADJUSTMENT PLAN CONFIRMED UNDER CHAPTER 13, HAD PROPERTY FORECLOSED UPON OR REPOSSESSED IN THE LAST 7 YEARS, OR BEEN A PARTY IN A LAWSUIT?			
3. IS YOUR INCOME LIKELY TO DECLINE IN THE NEXT TWO YEARS?			
4. ARE YOU A CO-MAKER, CO-SIGNER OR GUARANTOR ON ANY LOAN NOT LISTED ABOVE? FOR WHOM (Name of Others Obligated on Loan):	TO WHOM (Name of Creditor):		

State Law Notices **OHIO RESIDENTS ONLY:** The Ohio laws against discrimination require that all creditors make credit equally available to all creditworthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights Commission administers compliance with this law.

WISCONSIN RESIDENTS ONLY: (1) No provision of any marital property agreement, unilateral statement under Section 766.59, or court decree under Section 766.70 will adversely affect the rights of the Credit Union unless the Credit Union is furnished a copy of the agreement, statement or decree, or has actual knowledge of its terms, before the credit is granted or the account is opened. (2) Please sign if you are **not** applying for this account or loan with your spouse. The credit being applied for, if granted, will be incurred in the interest of the marriage or family of the undersigned.

Signatures

You promise that everything you have stated in this application is correct to the best of your knowledge and that the above information is a complete listing of what you owe. If there are any important changes you will notify us in writing immediately. You authorize the Credit Union to obtain credit reports in connection with this application for credit and for any update, renewal or extension of the credit received. You understand that the Credit Union will rely on the information in this application and your credit report to make its decision. If you request, the Credit Union will tell you the name and address of any credit bureau from which it received a credit report on you. It is a federal crime to willfully and deliberately provide incomplete or incorrect information on loan applications made to federal credit unions or state chartered credit unions insured by NCUA.

X	X
APPLICANT'S SIGNATURE	OTHER SIGNATURE
DATE	DATE

For Credit Union Use Only

DATE		APPROVED	APPROVED LIMITS:	SIGNATURE	LINE OF CREDIT	OTHER	OTHER	DEBT RATIO/SCORE BEFORE	AFTER
		DENIED (Adverse Action Notice Sent)		\$	\$	\$	\$		

LOAN OFFICER COMMENTS:

SIGNATURES:
X _____ **X** _____
DATE DATE

GENERATIONS CREDIT UNION

5618 Harrison Avenue
Rockford IL 61108



Open-End Plan Signatures

BORROWER 1 NAME (Please Print)	ACCOUNT NUMBER	BORROWER 2 NAME (Please Print)	ACCOUNT NUMBER
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Credit Agreement

This LOANLINER® Credit Agreement, which includes the Truth in Lending Disclosures, will be referred to as "the Plan." The Plan documents include this agreement and an Addendum. "You", "your" and "borrower" mean any person who signs the Plan. "Credit Union", "we", "our" and "us" mean the Credit Union whose name appears on the Plan or anyone to whom the Credit Union transfers its rights under the Plan.

1. HOW THIS PLAN WORKS - This is an open-end, multi-featured credit plan. We anticipate that, from time to time, you will borrow money (called "advances") under the Plan. **We are not required to make advances to you under the Plan and can refuse a request for an advance at any time.** The Addendum describes the different types of credit (called "subaccounts") available under the Plan, the current interest rate for each subaccount expressed as a daily periodic rate and corresponding annual percentage rate and other charges. It may also have other terms and a schedule for determining the payment amounts.

2. CREDIT LIMIT - We may, but do not have to, establish a credit limit on certain subaccounts. If a credit limit is set for a subaccount, you promise not to exceed the established credit limit. If you exceed the credit limit, you promise to repay immediately the amount which exceeds the credit limit.

3. REPAYMENT —You promise to repay all amounts you owe under the Plan plus interest. Payments are due on the last day of the month unless we set a different day at the time of an advance. If the Addendum has no payment schedule for a subaccount, your payment will be determined at the time of each advance. Payments must include any amount past due and any amount by which you have exceeded any credit limit you have been given for a subaccount. You may repay all or part of what you owe at any time without any prepayment penalty. Even if you prepay, you will still

(continued on reverse side)

Signatures

1. You have received and read the LOANLINER® Credit Agreement, including the Addendum ("Agreement") and Borrower Copy of the LOANLINER® Credit Agreement and Voluntary Payment Protection. By signing below you agree to be bound by the terms of the Agreement.

2. You grant us a security interest in all individual and joint share and/or deposit accounts you have with us now and in the future to secure what you owe

under the LOANLINER® Credit Agreement. When you are in default, you authorize us to apply the balance in these accounts to any amounts due. Shares and deposits in an Individual Retirement Account, and any other account that would lose special tax treatment under state or federal law if given as security, are not subject to the security interest you have given in your shares and deposits.

X

BORROWER 1 SIGNATURE DATE

X

BORROWER 2 SIGNATURE DATE

Enrollment/Application and Schedule for Voluntary Payment Protection

CUNA Mutual Insurance Society • Madison, WI 53701-0391 • Phone: 800/937-2644

"You" or "Your" means the member and the joint insured (if applicable). A co-signor is not eligible for joint coverage.

Credit insurance is **voluntary and not required in order to obtain this loan.** You may select any insurer of your choice. You can get this insurance only if you check "yes" below and sign your name and write in the date. The rate you are charged for the insurance is subject to change. You will receive written notice before any increase goes into effect. You have the right to stop this insurance by notifying your credit union in writing. Your signature below means you agree that:

- If you elect insurance, you authorize the credit union to add the charges for insurance to your loan each month.
- You are eligible for disability insurance only if you are working for wages or

profit for 25 hours a week or more on the initial loan date. If you are not, you will not be insured until you return to work. If you are off work because of temporary layoff, strike or vacation, but soon to resume, you will be considered at work. Are you working for wages or profit for 25 hours a week or more?

Borrower Yes No Co-Borrower Yes No

- You are eligible for insurance up to the Maximum Age for Insurance. Insurance will stop when you reach that age.

NOTE: THE LIFE AND DISABILITY INSURANCE CONTAINS CERTAIN BENEFIT EXCLUSIONS, INCLUDING A PRE-EXISTING CONDITION EXCLUSION. PLEASE REFER TO YOUR CERTIFICATE FOR DETAILS.

YOU ELECT THE FOLLOWING INSURANCE COVERAGE(S)	YES	NO	COST PER \$100 OF YOUR MONTHLY LOAN BALANCE	COVERED MEMBER (please print)
SINGLE CREDIT DISABILITY			\$.29	
JOINT CREDIT DISABILITY			\$.553	
SINGLE CREDIT LIFE			\$.069	
JOINT CREDIT LIFE			\$.114	

If you are totally disabled for more than 14 days, then the disability benefit will begin with the 1st day of disability.

ACCOUNT NUMBER	INSURANCE MAXIMUMS		DISABILITY	LIFE
GROUP POLICY NUMBER	MAXIMUM MONTHLY TOTAL DISABILITY BENEFIT		\$ 850	N/A
012-0642-1	MAXIMUM INSURABLE BALANCE PER LOAN ACCOUNT		\$50,000	\$30,000
DATE OF ISSUE OF THE CERTIFICATE	MAXIMUM AGE FOR INSURANCE		66	70
	SECONDARY BENEFICIARY (If you desire to name one)			

DATE MEMBER'S DATE OF BIRTH DATE JOINT INSURED'S DATE OF BIRTH

X

SIGNATURE OF MEMBER
(Be sure to check one of the boxes above)

X

SIGNATURE OF JOINT INSURED (CO-BORROWER)

Credit Agreement (continued)

be required to make the regularly scheduled payments unless we agree in writing to a change in the payment schedule. If you have a joint share draft account, you will be responsible for paying all overdraft advances obtained by a joint holder of the share draft account. Unless otherwise required by law, payments will be applied to amounts owed under the Plan, in the manner the Credit Union chooses.

4. PLAN ACCESS — You can obtain credit advances in any manner authorized by us. If we allow you to use your ATM/Debit card to access the Plan, you may be liable for the unauthorized use of your ATM/Debit card. You will not be liable for unauthorized use that occurs after you notify us, orally or in writing, of the loss, theft, or possible unauthorized use. If you believe your ATM/Debit card has been lost or stolen, immediately inform the Credit Union by calling or writing us at the telephone number or address that appears elsewhere in the Plan. If the card is used to obtain unauthorized advances directly from the Plan, your liability will not exceed \$50. If the unauthorized withdrawal is from a share draft account, your liability is governed by the Regulation E disclosures you received at the time you received your ATM/Debit card, even if the withdrawal results in an advance being made from your overdraft subaccount.

5. FINANCE CHARGE — The dollar amount you pay for money borrowed is called a "finance charge" and begins on the date of each advance. A finance charge will be computed separately for each separate balance under the Plan. To compute the finance charge, the unpaid balance for each day since your last payment (or since an advance if you have not yet made a payment) is multiplied by the applicable daily periodic rate. The sum of these amounts is the finance charge owed. The balance used to compute the finance charge is the unpaid balance each day after payments and credits to that balance have been subtracted and any additions to the balance have been made. In addition to interest, we may charge other finance charges which are disclosed on the Addendum. If the interest rate is a variable interest rate, the Addendum explains how the variable interest rate works.

6. SECURITY—You pledge as security for the Plan all shares and dividends and, if any, all deposits and interest in all joint and individual accounts you have with us now and in the future. If a specific dollar amount is pledged for an advance, we will freeze shares in that account to the extent of the outstanding balance for the advance. Otherwise, your pledged shares may be withdrawn unless you are in default. **If credit union has a federal charter:** Statutory Lien – If you are in default on a financial obligation to us, federal law gives us the right to apply the balance of shares and dividends in all individual and joint accounts you have with us to satisfy that obligation. After you are in default, we may exercise this right without further notice to you. (We have a federal charter if our name includes the term "Federal Credit Union.") **If credit union is state chartered, except in Ohio, Rhode Island, and Massachusetts:** We have a statutory lien on the shares and dividends and, if any, the deposits and interest in all individual and joint accounts you have with us and may exercise our rights under the lien to the extent permitted by state law. (We are state chartered if our name does not include the term "Federal Credit Union.") **For all borrowers: The statutory lien and/or your pledge will allow us to apply the funds in your account(s) to what you owe when you are in default.** The statutory lien and your pledge do not apply to any Individual Retirement Account or any other account that would lose special tax treatment under state or federal law if given as security. Additional security for the Plan may be required at the time of an advance. If a subaccount identifies a type of property (such as "New Cars") you must give that type of property as security when you get an advance under that subaccount. A subaccount name such as "Other Secured" means you must provide security acceptable to us when you obtain an advance under that subaccount. Property you give as security will secure all amounts owed under the Plan and all other loans you have with us now or in the future, except any loan secured by your principal dwelling. Property securing other loans you have with us may also secure the Plan.

7. PROPERTY INSURANCE —You will be required to purchase property insurance on certain types of security that you give for advances. You may purchase the property insurance from anyone you choose that is acceptable to the Credit Union.

8. VOLUNTARY PAYMENT PROTECTION — We may offer Voluntary Payment Protection to you. Voluntary Payment Protection is not necessary to obtain credit. If you purchase Voluntary Payment Protection from us, you authorize us to add the fees or insurance charges monthly to your loan balance and charge you interest on the entire balance. At our option we will change your payment or the period of time necessary to repay the loan balance. The rate used to determine the fees or insurance charges may change in the future. If the rate changes, we will provide any notices required by applicable law.

9. PERIODIC STATEMENT — On a regular basis you will receive a statement showing all transactions under the Plan during the period covered by the statement. Statements and notices will be sent to you at the most recent address you have given us in writing. Unless applicable law requires notice to each joint borrower, notice to any one of you will be notice to all.

10. JOINT ACCOUNTS — If this is a joint account, each of you is individually and jointly responsible for paying all amounts owed. That means we can enforce our rights under the Plan against any one of you individually or against all of you together. If you give us inconsistent instructions, we can refuse to follow your instructions. Unless our written policy requires all of you to sign for an advance, each of you authorizes the other(s) to obtain advances individually and agrees to repay advances made to the other(s). Any joint account holder may terminate the Plan by giving us prior written notice. If any of you terminate the Plan, the Plan is terminated for all of you. You remain liable individually and jointly for all advances incurred before termination.

11. FEES AND CHARGES — If you give us a security interest in certain types of property, we may charge you a filing fee to perfect our interest in the property. If we do, the amount of the fee will be disclosed to you at the time you obtain an advance. We may also charge you other fees in connection with the Plan. Our current fees are disclosed on the Addendum and will be added to your loan balance unless you pay them in cash.

12. UPDATING CREDIT INFORMATION — You promise that you will promptly give us written notice if you move, change your name or employment, or if any other information you provided to us changes. Upon our request, you also agree to provide us updated financial information.

13. WAIVER — We can delay or waive enforcing any of our rights under this Plan, including your obligation to make timely payments, without losing our right to enforce the terms of the Plan at a later time. If the law makes any term(s) of the Plan unenforceable, the other terms will remain in effect.

14. DEFAULT — *The following paragraph applies to borrowers in Idaho, Kansas, Maine and state chartered credit unions lending to South Carolina borrowers:* You will be in default if you do not make a payment of the amount required when it is due. You will also be in default if we believe the prospect of payment, performance, or realization on any property given as security is significantly impaired.

The following paragraph applies only to borrowers in Wisconsin: You will be in default if you fail to make a payment when due two times during any 12 month period. You will be in default if breaking any promise made under the Plan materially impairs your ability to repay what you owe. You will also be in default if breaking any promise made under a Security Agreement made in connection with an advance, materially impairs the condition, value, or protection of or our right in any property you gave as security.

The following paragraph applies only to borrowers in Iowa: You will be in default if you are more than 10 days late in making a payment. You will also be in default if you do not comply with the terms of the Plan and your failure to comply materially impairs any property you gave as security or your ability to repay what you owe under the Plan.

The following paragraph applies to borrowers in all other states and federally chartered credit unions lending to South Carolina borrowers: You will be in default if you do not make a payment of the amount required when it is due. You will be in default if you break any promise you made under the Plan or if anyone is in default under any security agreement made in connection with an advance under the Plan. You will be in default if you die, file for bankruptcy, become insolvent, if you make any false or misleading statements in any credit application or update of credit information, or if something happens we believe may substantially reduce your ability to repay what you owe. You will also be in default under the Plan if you are in default under any other loan agreement with us.

15. ACTIONS AFTER DEFAULT — *The following paragraph applies to borrowers in Colorado, District of Columbia, Iowa, Kansas, Maine, Massachusetts, Missouri, Nebraska, West Virginia, Wisconsin and state chartered credit unions lending to South Carolina borrowers:* When you are in default and after expiration of any right you have under applicable state law to cure your default, we can demand immediate payment of the entire unpaid balance under the Plan without giving you advance notice.

The following paragraph applies to borrowers in all other states and to federally chartered credit unions lending to South Carolina borrowers: When you are in default, we can require immediate payment (acceleration) of the entire unpaid balance under the Plan. You waive any right you have to demand for payment, notice of intent to accelerate and notice of acceleration.

The following paragraph applies to all borrowers: If immediate payment is demanded, you will continue to pay interest until what you owe has been repaid, at the applicable interest rates in effect or, if applicable, at the default rate disclosed on the Addendum. If a demand for immediate payment has been made, your shares and/or deposits can be applied towards what you owe as provided in the Section above called "Security". We can also exercise any other rights given by law when you are in default, and any rights we have under any Security Agreements you have with us.

16. CANCELLING OR CHANGING THE PLAN — *The following paragraph applies only to state chartered credit unions lending to Illinois borrowers:* We have the right to change the terms of the Plan from time to time after giving you any advance notice required by law. Any change to the interest rate or other charges will apply to future advances.

The following paragraph applies only to borrowers in Wisconsin: We can change the terms of the Plan from time to time in accordance with Section 422.415 of the Wisconsin Statutes. You will be notified of any change in terms. An increase in the daily periodic rate under a variable interest rate is not considered a change in terms under the Plan. We can cancel the entire Plan or any part of the Plan at any time. You may cancel the Plan at any time by giving us prior written notice. Your obligation to pay the unpaid balances under the terms of the Plan continues whether you or the credit union cancel the Plan, except to the extent that your liability is limited by Section 422.4155 of the Wisconsin Statutes.

The following paragraph applies only to borrowers in Iowa: We can change the terms of the Plan from time to time after giving you any advance notice required by law. A change that increases the rate of finance charge or other charge, that increases the amount of your payments, or that otherwise adversely affects existing balances will apply to existing balances only if you agree to the change or you use the Plan after receiving notice that your use of the Plan means you agree the change applies to existing balances.

The following paragraph applies to borrowers in all other states and federally chartered credit unions lending to Illinois borrowers: We have the right to change the terms of the Plan from time to time after giving you any advance notice required by law. Any change in the interest rate will apply to future advances, and at our discretion and subject to any requirements of applicable law, will also apply to unpaid balances.

The following paragraph applies to all but Wisconsin borrowers: An increase in the daily periodic rate under a variable interest rate is not considered a change in terms under the Plan. We can cancel the entire Plan or any part of the Plan at any time. You can cancel the Plan at any time by giving us prior written notice. Your obligation to pay the unpaid balances under the terms of the Plan continues whether you or the Credit Union cancel the Plan.

17. The following is required by Vermont law: NOTICE TO CO-SIGNER - YOUR SIGNATURE ON THIS NOTE MEANS THAT YOU ARE EQUALLY LIABLE FOR REPAYMENT OF THIS LOAN. IF THE BORROWER DOES NOT PAY, THE LENDER HAS A LEGAL RIGHT TO COLLECT FROM YOU.

18. NOTICE TO UTAH BORROWERS: This written agreement is a final expression of the agreement between you and the Credit Union. This written agreement may not be contradicted by evidence of any oral agreement.

BORROWER COPY
IMPORTANT — RETAIN FOR YOUR RECORDS

LOANLINER.

**CREDIT
AGREEMENT
AND
VOLUNTARY
PAYMENT
PROTECTION**



Generations
CREDIT UNION

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Rockford, IL 61108

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2. CREDIT LIMIT — We may, but do not have to, establish a credit limit on certain subaccounts. If a credit limit is set for a subaccount, you promise not to exceed the established credit limit. If you exceed the credit limit, you promise to repay immediately the amount which exceeds the credit limit.

3. REPAYMENT — You promise to repay all amounts you owe under the Plan plus interest. Payments are due on the last day of the month unless we set a different day at the time of an advance. If the Addendum has no payment schedule for a subaccount, your payment will be determined at the time of each advance. Payments must include any amount past due and any amount by which you have exceeded any credit limit you have been given for a subaccount. You may repay all or part of what you owe at any time without any prepayment penalty. Even if you prepay, you will still be required to make the regularly scheduled payments unless we agree in writing to a change in the payment schedule. If you have a joint share draft account, you will be responsible for paying all overdraft advances obtained by a joint holder of the share draft account. Unless otherwise required by law, payments will be applied to amounts owed under the Plan, in the manner the Credit Union chooses.

4. PLAN ACCESS — You can obtain credit advances in any manner authorized by us. If we allow you to use your ATM/Debit card to access the Plan, you may be liable for the unauthorized use of your ATM/Debit card. You will not be liable for unauthorized use that occurs after you notify us, orally or in writing, of the loss, theft, or possible unauthorized use. If you believe your ATM/Debit card has been lost or stolen, immediately inform the Credit Union by calling or writing us at the telephone number or address that appears elsewhere in the Plan. If the card is used to obtain unauthorized advances directly from the Plan, your liability will not exceed \$50. If the unauthorized withdrawal is from a share draft account, your liability is governed by the Regulation E disclosures you received at the time you received your ATM/Debit card, even if the withdrawal results in an advance being made from your overdraft subaccount.

5. FINANCE CHARGE — The dollar amount you pay for money borrowed is called a "finance charge" and begins on the date of each advance. A finance charge will be computed separately for each separate balance under the Plan. To compute the finance charge, the unpaid balance for each day since your last payment (or since an advance if you have not yet made a payment) is multiplied by the applicable daily periodic rate. The sum of these amounts is the finance charge owed. The balance used to compute the finance charge is the unpaid balance each day after payments and credits to that balance

have been subtracted and any additions to the balance have been made. In addition to interest, we may charge other finance charges which are disclosed on the Addendum. If the interest rate is a variable interest rate, the Addendum explains how the variable interest rate works.

6. SECURITY — You pledge as security for the Plan all shares and dividends and, if any, all deposits and interest in all joint and individual accounts you have with us now and in the future. If a specific dollar amount is pledged for an advance, we will freeze shares in that account to the extent of the outstanding balance for the advance. Otherwise, your pledged shares may be withdrawn unless you are in default. **If credit union has a federal charter:** Statutory Lien — If you are in default on a financial obligation to us, federal law gives us the right to apply the balance of shares and dividends in all individual and joint accounts you have with us to satisfy that obligation. After you are in default, we may exercise this right without further notice to you. (We have a federal charter if our name includes the term "Federal Credit Union.") **If credit union is state chartered, except in Ohio, Rhode Island, and Massachusetts:** We have a statutory lien on the shares and dividends and, if any, the deposits and interest in all individual and joint accounts you have with us and may exercise our rights under the lien to the extent permitted by state law. (We are state chartered if our name does not include the term "Federal Credit Union.") **For all borrowers: The statutory lien and/or your pledge will allow us to apply the funds in your account(s) to what you owe when you are in default.** The statutory lien and your pledge do not apply to any Individual Retirement Account or any other account that would lose special tax treatment under state or federal law if given as security.

Additional security for the Plan may be required at the time of an advance. If a subaccount identifies a type of property (such as "New Cars") you must give that type of property as security when you get an advance under that subaccount. A subaccount name such as "Other Secured" means you must provide security acceptable to us when you obtain an advance under that subaccount. Property you give as security will secure all amounts owed under the Plan and all other loans you have with us now or in the future, except any loan secured by your principal dwelling. Property securing other loans you have with us may also secure the Plan.

7. PROPERTY INSURANCE — You will be required to purchase property insurance on certain types of security that you give for advances. You may purchase the property insurance from anyone you choose that is acceptable to the Credit Union.

8. VOLUNTARY PAYMENT PROTECTION — We may offer Voluntary Payment Protection to you. Voluntary Payment Protection is not necessary to obtain credit. If you purchase Voluntary Payment Protection from us, you authorize us to add the fees or insurance charges monthly to your loan balance and charge you interest on the entire balance. At our option we will change your payment or the period of time necessary to repay the loan balance. The rate used to determine the fees or insurance charges may change in the future. If the rate changes, we will provide any notices required by applicable law.

9. PERIODIC STATEMENT — On a regular basis you will receive a statement showing all transactions under the Plan during the period covered by the statement. Statements and notices will be sent to you at the most recent address you have given us in writing. Unless applicable law requires notice to each joint borrower, notice to any one of you will be notice to all.

10. JOINT ACCOUNTS — If this is a joint account, each of you is individually and jointly responsible for paying all amounts owed. That means we can enforce our rights under the Plan against any one of you individually or against all of you together. If you give us inconsistent instructions, we can refuse to follow your instructions. Unless our written policy requires all of you to sign for an advance, each of you

authorizes the other(s) to obtain advances individually and agrees to repay advances made to the other(s). Any joint accountholder may terminate the Plan by giving us prior written notice. If any of you terminate the Plan, the Plan is terminated for all of you. You remain liable individually and jointly for all advances incurred before termination.

11. FEES AND CHARGES — If you give us a security interest in certain types of property, we may charge you a filing fee to perfect our interest in the property. If we do, the amount of the fee will be disclosed to you at the time you obtain an advance. We may also charge you other fees in connection with the Plan. Our current fees are disclosed on the Addendum and will be added to your loan balance unless you pay them in cash.

12. UPDATING CREDIT INFORMATION — You promise that you will promptly give us written notice if you move, change your name or employment, or if any other information you provided to us changes. Upon our request, you also agree to provide us updated financial information.

13. WAIVER — We can delay or waive enforcing any of our rights under this Plan, including your obligation to make timely payments, without losing our right to enforce the terms of the Plan at a later time. If the law makes any term(s) of the Plan unenforceable, the other terms will remain in effect.

14. DEFAULT — *The following paragraph applies to borrowers in Idaho, Kansas, Maine and state chartered credit unions lending to South Carolina borrowers:* You will be in default if you do not make a payment of the amount required when it is due. You will also be in default if we believe the prospect of payment, performance, or realization on any property given as security is significantly impaired.

The following paragraph applies only to borrowers in Wisconsin: You will be in default if you fail to make a payment when due two times during any 12 month period. You will be in default if breaking any promise made under the Plan materially impairs your ability to repay what you owe. You will also be in default if breaking any promise made under a Security Agreement made in connection with an advance, materially impairs the condition, value, or protection of or our right in any property you gave as security.

The following paragraph applies only to borrowers in Iowa: You will be in default if you are more than 10 days late in making a payment. You will also be in default if you do not comply with the terms of the Plan and your failure to comply materially impairs any property you gave as security or your ability to repay what you owe under the Plan.

The following paragraph applies to borrowers in all other states and federally chartered credit unions lending to South Carolina borrowers: You will be in default if you do not make a payment of the amount required when it is due. You will be in default if you break any promise you made under the Plan or if anyone is in default under any security agreement made in connection with an advance under the Plan. You will be in default if you die, file for bankruptcy, become insolvent, if you make any false or misleading statements in any credit application or update of credit information, or if something happens we believe may substantially reduce your ability to repay what you owe. You will also be in default under the Plan if you are in default under any other loan agreement with us.

15. ACTIONS AFTER DEFAULT — *The following paragraph applies to borrowers in Colorado, District of Columbia, Iowa, Kansas, Maine, Massachusetts, Missouri, Nebraska, West Virginia, Wisconsin and state chartered credit unions lending to South Carolina borrowers:* When you are in default and after expiration of any right you have under applicable state law to cure your default, we can demand immediate payment of the entire unpaid balance under the Plan without giving you advance notice.

The following paragraph applies to borrowers in all other states and to federally chartered credit unions lending to South Carolina borrowers: When you are in default, we can require immediate payment (acceleration) of the entire unpaid balance under the Plan. You waive any right you have to demand for payment, notice of intent to accelerate and notice of acceleration.

The following paragraph applies to all borrowers: If immediate payment is demanded, you will continue to pay interest until what you owe has been repaid, at the applicable interest rates in effect or, if applicable, at the default rate disclosed on the Addendum. If a demand for immediate payment has been made, your shares and/or deposits can be applied towards what you owe as provided in the Section above called "Security". We can also exercise any other rights given by law when you are in default, and any rights we have under any Security Agreements you have with us.

16. CANCELLING OR CHANGING THE PLAN — ***The following paragraph applies only to state chartered credit unions lending to Illinois borrowers:*** We have the right to change the terms of the Plan from time to time after giving you any advance notice required by law. Any change to the interest rate or other charges will apply to future advances.

The following paragraph applies only to borrowers in Wisconsin: We can change the terms of the Plan from time to time in accordance with Section 422.415 of the Wisconsin Statutes. You will be notified of any change in terms. An increase in the daily periodic rate under a variable interest rate is not considered a change in terms under the Plan. We can cancel the entire Plan or any part of the Plan at any time. You may cancel the Plan at any time by giving us prior written notice. Your obligation to pay the unpaid balances under the terms of the Plan continues whether you or the credit union cancel the Plan, except to the extent that your liability is limited by Section 422.4155 of the Wisconsin Statutes.

The following paragraph applies only to borrowers in Iowa: We can change the terms of the Plan from time to time after giving you any advance notice required by law. A change that increases the rate of finance charge or other charge, that increases the amount of your payments, or that otherwise adversely affects existing balances will apply to existing balances only if you agree to the change or you use the Plan after receiving notice that your use of the Plan means you agree the change applies to existing balances.

The following paragraph applies to borrowers in all other states and federally chartered credit unions lending to Illinois borrowers: We have the right to change the terms of the Plan from time to time after giving you any advance notice required by law. Any change in the interest rate will apply to future advances, and at our discretion and subject to any requirements of applicable law, will also apply to unpaid balances.

The following paragraph applies to all but Wisconsin borrowers: An increase in the daily periodic rate under a variable interest rate is not considered a change in terms under the Plan. We can cancel the entire Plan or any part of the Plan at any time. You may cancel the Plan at any time by giving us prior written notice. Your obligation to pay the unpaid balances under the terms of the Plan continues whether you or the Credit Union cancel the Plan.

17. *The following is required by Vermont law:* NOTICE TO CO-SIGNER - YOUR SIGNATURE ON THIS NOTE MEANS THAT YOU ARE EQUALLY LIABLE FOR REPAYMENT OF THIS LOAN. IF THE BORROWER DOES NOT PAY, THE LENDER HAS A LEGAL RIGHT TO COLLECT FROM YOU.

18. NOTICE TO UTAH BORROWERS: This written agreement is a final expression of the agreement between you and the credit union. This written agreement may not be contradicted by evidence of any oral agreement.

**YOUR BILLING RIGHTS —
KEEP THIS NOTICE FOR FUTURE USE**

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

NOTIFY US IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR STATEMENT. If you think your statement is wrong, or if you need more information about a transaction on your statement, write us on a separate sheet at the address listed on your statement. Write to us as soon as possible. We must hear from you no later than 60 days after we sent you the first statement on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

If you have authorized us to pay a credit card account automatically from your share account or share draft account, you can stop the payment on any amount you think is wrong. To stop the payment your letter must reach us three business days before the automatic payment is scheduled to occur.

YOUR RIGHTS AND OUR RESPONSIBILITIES AFTER WE RECEIVE YOUR WRITTEN NOTICE. We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the statement was correct.

After we receive your letter, we cannot try to collect any amount you question, or report you as delinquent. We can continue to send statements to you for the amount you question, including finance charges, and we can apply any unpaid amount against your credit limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your statement that are not in question.

If we find that we made a mistake on your statement, you will not have to pay any finance charges related to any questioned amount. If we didn't make a mistake, you may have to pay finance charges, and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within ten days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your statement. And, we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is.

If we don't follow these rules, we can't collect the first \$50 of the questioned amount, even if your statement was correct.

SPECIAL RULE FOR CREDIT CARD PURCHASES. If you have a problem with the quality of property or services that you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the property or services. There are two limitations on this right: (a) You must have made the purchase in your home state or, if not within your home state, within 100 miles of your current mailing address; and (b) The purchase price must have been more than \$50.

These limitations do not apply if we own or operate the merchant, or if we mailed you the advertisement for the property or services.



CUNA Mutual Insurance Society

P.O. BOX 391 ■ 5910 Mineral Point Road ■ Madison, WI 53701-0391
Phone: 800/937-2644

(Called We)

**SINGLE/JOINT CREDIT LIFE
SINGLE/JOINT CREDIT DISABILITY
MONTHLY PREMIUM
CERTIFICATE OF INSURANCE**

Within 15 days after you receive this Certificate, you have the right to return the Certificate to the credit union for cancellation and any premium paid by you will be immediately returned.

We certify that while we are paid the premiums for the Group Policy by the credit union as they become due, you are insured for the coverage marked in the Schedule, subject to the terms of the Group Policy issued to the credit union.

BENEFITS

Benefits are paid to your credit union to pay off or reduce your loan. If the benefits are more than the balance of your loan, the difference will be paid to you if you are living or to the Beneficiary named by you, if any, or to your estate. Our payment will completely discharge our liability to the extent of the payment.

Death Benefit. If you die while you are insured for life coverage, we will pay the principal balance of your loan on the date of your death, plus not more than six (6) months unpaid interest on your loan to that date, not to exceed the Maximum Amount of Life Insurance.

Joint Insured Death Benefit. If your joint insured dies while insured for life coverage, we will pay on the same basis as above. Only one (1) death benefit, however, is payable under this Certificate.

Total Disability Insurance Benefit. If you are insured for disability coverage, we will pay a benefit if you file written proof that you became totally disabled while insured and continue to be totally disabled for longer than the period stated in the Schedule. Payment will be calculated beginning with the day shown in the Schedule.

The monthly benefit for each month of your disability to be compensated will be equal to the minimum monthly payment required on your loan on the date you became disabled. For a partial month, each daily benefit will be equal to 1/30th of the monthly benefit. Our monthly benefit payment will not exceed the Maximum Monthly Total Disability Benefit stated in the Schedule.

Joint Insured Total Disability Benefit. If your joint insured becomes totally disabled while insured for disability coverage, we will pay on the same basis as above, however, only one (1) monthly disability benefit will be paid even if both you and your joint insured are totally disabled at the same time.

Our benefit payments will stop:

1. on the date you are not totally disabled any more; or if earlier,
2. on the last day of the month during which you reach the Maximum Age for insurance; or
3. on the date the insured portion of your loan has been

- repaid, refinanced, or otherwise stops; or
4. on the date the balance of your loan has been paid by a lump sum disability benefit under a credit life insurance policy; or
 5. on the date of your death.

Definition of Total Disability. During the first 12 consecutive months of total disability, Total Disability means that you are: (a) not able to perform the principle duties of your occupation because of a medically determined sickness or accidental bodily injury, and (b) are under the regular care and treatment of a physician, and (c) are not engaged in any occupation or activity for substantially equal compensation. After the first 12 consecutive months of Total Disability, the definition changes and also means that you are unable to perform the principal duties of any occupation for which you are reasonably qualified by education, training or experience. You will be required to give us proof of your continuing Total Disability from time to time.

If your Total Disability recurs **within** seven (7) days after you have recovered from that period of Total Disability and the recurrence is a result of the same condition, we will consider this a continuation of that period of Total Disability. However, if your Total Disability recurs **more than** seven (7) days after you have recovered from that period of Total Disability, we will consider it a new period of Total Disability regardless of whether the recurrence is the result of the same condition or a new condition.

EXCLUSIONS AND RESTRICTIONS

The following Exclusions and Restrictions apply to You and Your Joint Insured

Misstated Age. If you stated you are under the Maximum Age for insurance stated in the Schedule, but you are not, we will return your premium when we discover this and will not pay any benefits.

Pre-Existing Conditions. We won't pay a claim for an advance on a loan if you die within six (6) months after the effective date of insurance on the advance and death results directly or indirectly from, or is contributed to by a disease or bodily injury for which you received medical advice, diagnosis or treatment at any time during the six (6) months immediately preceding the effective date of insurance on the advance.

Suicide. We won't pay a claim for an advance on a loan if you commit suicide within **12** months after the effective date of insurance on the advance. We will, however, refund the premium on the advance.

Total Disabilities Not Covered. We won't pay a claim for any advance on a loan or return your disability insurance premium if your Total Disability:

1. begins within six (6) months after the Effective Date of insurance on the advance and results from any disease or bodily injury for which you received medical advice, diagnosis or treatment at any time within the six (6) month period immediately preceding the Effective Date of insurance on the advance; or
2. is a result of normal pregnancy.

WHEN INSURANCE STOPS

This insurance automatically stops:

1. on the last day of the month in which we receive your written request to stop the insurance or if earlier,
2. on the last day of the month in which you withdraw your authorization for the addition of charges for the insurance

(continued)

- to your loan; or
3. on the last day of the month during which you reach the Maximum Age for Insurance; or
 4. on the date your loan stops; or
 5. on the last day of the month in which you are three (3) months delinquent in any payment on your loan; or
 6. on the date the Group Policy stops; or
 7. when the balance of your loan has been paid by a lump sum disability benefit under a credit life insurance policy; or
 8. on the date your loan is transferred to a creditor other than the credit union; or
 9. on the date of your death.

WHAT THE CONTRACT IS AND HOW YOUR STATEMENTS AFFECT IT

The Group Policy, the Application for the Group Policy and the attached Member's Application are the complete contract of insurance. All statements made by you are considered to have been made to the best of your knowledge and belief. No statement can be used to void this insurance or deny a claim unless that statement is signed by you.

After two (2) years from the date of insurance, no statement made by you can be used to void this insurance or deny a claim. If you stated that you are older than the Maximum Age for Insurance, or if insurance is issued over the Maximum Amount, and we do not return your premium within 60 days after we receive it, you are insured for the period the premium would purchase regardless of your actual age.

HOW TO FILE A LIFE CLAIM

We must be given a claim report, a copy of the member's loan records, insurance application/certificate and a certified copy of the death certificate (or other lawful evidence) as proof of a life insurance claim.

HOW TO FILE A TOTAL DISABILITY CLAIM

You must contact us or your credit union about your Total Disability claim when you are eligible for benefits. Your credit union will provide you with claim forms or you can simply send us written proof of your disability. That proof must show the date and the cause of the Total Disability and how serious it is, and it must be signed by a physician or a chiropractor. The initial proof should be for the initial period of Total Disability, after you have completed the Waiting Period or Elimination Period. After that, we will require proof of your continued disability, from time to time.

You must send proof to us within 90 days after your Total Disability stops. If you cannot send proof to us within 90 days, you must do so as soon as you can. Unless you have been legally incapable of filing proof of Total Disability, we won't accept it if it is filed after one (1) year from the time it should have been filed. You can't start any legal action until 60 days after you send us proof of your Total Disability and you can't start any legal action more than three (3) years after you send the proof.

CONFORMITY WITH STATE STATUTES

Any part of the Group Policy which, on the Effective Date of the Group Policy, conflicts with the statutes of the state where the Group Policy was delivered is changed to conform to the minimum standards of those statutes.

PHYSICAL EXAMINATION

We, at our own expense, have the right, and you must allow us the opportunity, to examine your person as often as is reasonably required while a claim is pending.

CREDIT INSURANCE INFORMATION /SCHEDULE

"You" or "Your" means the member and the joint insured (if applicable). A co-signor is not eligible for joint coverage.

Credit insurance is **voluntary and not required in order to obtain this loan**. You may select any insurer of your choice. The rate you are charged for the insurance is subject to change. You will receive written notice before any increase goes into effect. You have the right to stop this insurance by notifying your credit union in writing. You agree that:

- If you elect insurance, you authorize the credit union to add the charges for insurance to your loan each month.
- You are eligible for disability insurance only if you are working for wages or profit for 25 hours a week or more on the initial loan date. If you are not, you will not be insured until you return to work. If you are off work because of temporary layoff, strike or vacation, but soon to resume, you will be considered at work. Are you working for wages or profit for 25 hours a week or more?

Borrower Yes No Co-Borrower Yes No

- You are eligible for insurance up to the Maximum Age for Insurance. Insurance will stop when you reach that age.

NOTE: THE LIFE AND DISABILITY INSURANCE CONTAINS CERTAIN BENEFIT EXCLUSIONS, INCLUDING A PRE-EXISTING CONDITION EXCLUSION. PLEASE REFER TO YOUR CERTIFICATE FOR DETAILS.

YOU ELECT THE FOLLOWING INSURANCE COVERAGE(S)	COST PER \$100 OF YOUR MONTHLY LOAN BALANCE	
	YES	NO
SINGLE CREDIT DISABILITY		\$.29
JOINT CREDIT DISABILITY		\$.553
SINGLE CREDIT LIFE		\$.069
JOINT CREDIT LIFE		\$.114

COVERED MEMBER (please print)

INSURANCE MAXIMUMS	DISABILITY	LIFE
MAX. MONTHLY TOTAL DISABILITY BENEFIT	\$850	N/A
MAX. INSURABLE BALANCE PER LOAN ACCT.	\$50,000	\$30,000
MAXIMUM AGE FOR INSURANCE	66	70
If you are totally disabled for more than	14	days, then the
disability benefit will begin with the	1st	day of disability.



CUNA Mutual Insurance Society

P.O. BOX 391 ■ 5910 Mineral Point Road
Madison, WI 53701-0391
Phone: 800/937-2644

ILLINOIS LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION LAW

Residents of Illinois who purchase health insurance, life insurance, and annuities should know that the insurance companies licensed in Illinois to write these types of insurance are members of the Illinois Life and Health Insurance Guaranty Association. The purpose of this Guaranty Association is to assure that policyholders will be protected, within limits, in the unlikely event that a member insurer becomes financially unable to meet its policy obligations. If this should happen the Guaranty Association will assess its other member insurance companies for the money to pay the covered claims of policyholders that live in Illinois (and their payees, beneficiaries, and assignees) and, in some cases, to keep coverage in force. The valuable extra protection provided by these insurers through the Guaranty Association is not unlimited, however, as noted below.

ILLINOIS LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION DISCLAIMER

The Illinois Life and Health Insurance Guaranty Association provides coverage of claims under some types of policies if the insurer becomes impaired or insolvent. **COVERAGE MAY NOT BE AVAILABLE FOR YOUR POLICY.** Even if coverage is provided, there are substantial limitations and exclusions. Coverage is generally conditioned on continued residence in Illinois. Other conditions may also preclude coverage.

You should not rely on availability of coverage under the Life and Health Insurance Guaranty Association Law when selecting an insurer. Your insurer and agent are prohibited by law from using the existence of the Association or its coverage to sell you an insurance policy.

The Illinois Life and Health Insurance Guaranty Association or the Illinois Department of Insurance will respond to any questions you may have which are not answered by this document. Policyholders with additional questions may contact:

Illinois Life and Health Insurance Guaranty Association
8420 West Bryn Mawr Avenue
Chicago, Illinois 60631
(312) 714-8050

Illinois Department of Insurance
320 West Washington Street, 4th Floor
Springfield, Illinois 62767
(217) 782-4515

Summary of General Purposes and Current Limitations of Coverage

The Illinois law that provides for this safety-net coverage is called the Illinois Life and Health Insurance Guaranty Association Law ("Law") (215 ILCS 5/531.01, et seq.]. The following contains a brief summary of the Law's coverages, exclusions and limits. This summary does not cover all provisions, nor does it in any way change anyone's rights or obligations under the Law or the rights or obligations of the Guaranty Association. If you have obtained this document from an agent in connection with the purchase of a policy, you should be aware that its delivery to you does not guarantee that your policy is covered by the Guaranty Association.

A. Coverage:

The Illinois Life and Health Guaranty Association provides coverage to policyholders that reside in Illinois for insurance issued by member of the Guaranty Association, including:

1. life insurance, health insurance, and annuity contracts;
2. life, health or annuity certificates under direct group policies or contracts;
3. unallocated annuity contracts; and
4. contracts to furnish health care services and subscription certificates for medical or health care services issued

by certain licensed entities. The beneficiaries, payees or assignees of such persons are also protected, even if they live in another state.

B. Exclusions from Coverage:

1. The Guaranty Association does not provide coverage for:
 - a) any policy or portion of a policy for which the individual has assumed the risk;
 - b) any policy or reinsurance (unless an assumption certificate was issued);
 - c) interest rate guarantees which exceed certain statutory limitations;
 - d) certain unallocated annuity contracts issued to an employee benefit plan protected under the Pension Benefit Guaranty Corporation and any portion of the contract which is not issued to or in connection with a specific employee, union or association of natural persons benefit plan or a government lottery;
 - e) any portion of a variable life insurance or variable annuity contract not guaranteed by an insurer; or
 - f) any stop loss insurance.
2. In addition, persons are not protected by the Guaranty Association if:
 - a) the Illinois Director of Insurance determines that, in the case of an insurer which is not domiciled in Illinois, the Insurer's home state provides substantially similar protection to Illinois residents which will be provided in a timely manner; or
 - b) their policy was issued by an organization which is not a member insurer of the Association.

C. Limits on Amount of Coverage:

1. The Law also limits the amount the Illinois Life and Health Insurance Guaranty Association is obligated to pay. The Guaranty Association's liability is limited to the lesser of either:
 - a) the contractual obligations for which the insurer is liable or for which the insurer would have been liable if it were not an impaired or insolvent insurer, or
 - b) with respect to any one life, regardless of the number of policies, contracts, or certificates:
 - i) in the case of life insurance, \$300,000 in death benefits but not more than \$100,000 in net cash surrender or withdrawal values;
 - ii) in the case of health insurance, \$300,000 in health insurance benefits, including net cash surrender or withdrawal values; and
 - iii) with respect to annuities, \$100,000 in the present value of annuity benefits, including net cash surrender or withdrawal values, and \$100,000 in the present value of annuity benefits for individuals participating in certain government retirement plans covered by an unallocated annuity contract. The limit for coverage of unallocated annuity contracts other than those issued to certain governmental retirement plans is \$5,000,000 in benefits per contract holder, regardless of the number of contracts.
2. However, in no event is the Guaranty Association liable for more than \$300,000 with respect to any one individual.