



**CENTRAL STATES OF OMAHA**

# **Credit Insurance**

## **Product Knowledge and Administration Manual**



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**DISCLOSURE:** This Credit Insurance Product Knowledge and Administration Manual is a standard manual based on our domicile state of Nebraska. Please see your state information handouts provided along with this manual for forms and information specific to your state and account contract.

**NOTE:** Throughout this document, all references to *certificate* will be the same as *policy*.

For training purposes only. Not intended for public distribution.



# The CSO Advantage

Since our founding in 1932, Central States Health & Life Co. of Omaha (CSO) has focused on providing valuable products designed to protect borrower's debt. Today, we are recognized as a leading provider of credit insurance. CSO is licensed in and conducts business in every state (except New York), as well as the District of Columbia, Guam and Saipan. Our valued network of agents who are engaged in extending our products, reside in dealerships, banks, credit unions and other financial institutions.

CSO is truly committed to providing exceptional service to our customers. Our delivery of outstanding service sets us apart in the industry. The advantages of doing business with CSO are many, some of which include:

- National network of sales and training professionals
- Administrative and marketing support
- "QuikHelp" number 1-800-826-6587 personally answered by a CSO representative
- Under a six-day turnaround for processing credit insurance claims
- Advanced reporting capabilities
- Reinsurance options for accounts
- CSO.com website provides online services including:
  - ▶ Claim status
  - ▶ Claim forms
  - ▶ Order supplies
  - ▶ Refund quotes
  - ▶ Licensing & renewal instructions
  - ▶ Lender proof of pay-off notices (if applicable)
  - ▶ QuikCalc download (quoting software)
  - ▶ Business submission forms download, or customized form requests

A solid history of successful business practice has provided our company with an exceptionally strong financial base.

CSO boasts a strong and proud history. We have over 85 years of experience in the business of protecting debt, and now support thousands of dealerships and financial institutions. We look forward to supporting your business.



# Commitment to Privacy

CSO is committed to protecting individual privacy of your valued borrowers.

In accordance with federal and state regulations, CSO developed a Privacy Principles & Notification of Information Practices. An example appears below and explains our practices for collecting and using personal information in the course of providing quality insurance products. **Privacy notifications may vary by state. The applicable privacy notification for each applicable state is made a part of the credit insurance policy.**

Because the service you provide involves the handling of borrower information, it is necessary you also adhere to our practices of protecting individual privacy.

## Central States Health & Life Co. of Omaha A MUTUAL LEGAL RESERVE COMPANY

### Central States Health & Life Co. of Omaha PRIVACY PRINCIPLES & NOTIFICATION OF INFORMATION PRACTICES

At Central States Health & Life Co. of Omaha (CSO), we value the trust you have placed in us and maintaining this trust is a high priority for us. We pride ourselves on offering you top quality insurance products and providing you with excellent service. We do this while respecting your right to privacy and using your information only as we agreed.

In order for us to offer our products and services, it is necessary for us to collect a certain amount of information about you. Some of that information might be considered nonpublic personal information. Some examples of this type of information would be:

- ◆ **Information on our applications.** This is the information you provided as part of the application process.
- ◆ **Information about your transactions with us.** Your file may contain information such as premium payment and claims history that we've developed based upon our transactions and experiences with you.
- ◆ **Information we obtain from third parties.** The type of information we gather depends on the type of policy or coverage. This may include motor vehicle reports, claim reports, credit reports and medical reports. We may exchange information with consumer reporting agencies in connection with your application or renewal of insurance coverage with us.

CSO limits the collection, use and access of this information to the minimum required in order to deliver our products and services to you. This may include advising you about other opportunities available through us. Some insurance companies may share information about their customers with nonaffiliated third parties to offer new products or services. The law requires these companies provide you with an opportunity to opt-out or restrict that company from sharing your information. Because CSO does not disclose your nonpublic personal information except where permitted by law, it is not necessary for us to provide you with an opt-out option. Instead, we offer you this pledge:

- We do not disclose any nonpublic personal information about our customers or former customers without their permission to anyone, except as permitted or required by law.
- We have taken what we believe to be reasonable steps to protect the security and privacy of your nonpublic personal information by maintaining physical, electronic and procedural safeguards to protect your nonpublic personal information. We take appropriate disciplinary measures to enforce employee privacy responsibilities.
- Whenever other companies or individuals assist us in providing our products and services that you have requested, we will prohibit them from using or disclosing your information for any purpose other than providing agreed upon services for us. Additionally, we will require them to use appropriate safeguards to protect the information.
- We do not presently share information subject to the Fair Credit Reporting Act among any affiliates. To the extent we make any disclosures in the future of your information which are subject to that Act, we will follow the necessary requirements of the Act including providing you the opportunity to advise us you do not want the information disclosed.
- We strive to keep our records of your information accurate. If you contact us, we will tell you how to access your account information, how we have used the information, and how to notify us about errors. We will promptly correct any inaccurate information.
- We may amend our privacy policy from time to time. As required by law, we will send our current customers our most recent privacy notice at least annually.

At Central States Health & Life Co. of Omaha, we value our relationship with you and appreciate the opportunity to provide you with valuable insurance products. If you should have any questions, please feel free to contact us at:

*Central States Health & Life Co. of Omaha  
1212 N. 96<sup>th</sup> Street • Omaha, NE 68114*

949A



# Credit Insurance

Credit insurance is a specialized form of traditional life and disability coverage. However, certain characteristics clearly set these products apart. The most significant of these characteristics is credit insurance is tied to a specific debt obligation.

Simply stated, credit insurance protects debt. Offered at the time a loan is initiated, credit insurance is designed to pay off or reduce the remaining amount of the loan in the event of a covered death or disability. The purchase of credit insurance is **optional**; covering a loan with credit insurance is **not** required to obtain credit. Several coverage options are available.

**Credit Life Insurance:** is designed to pay off or reduce the remaining amount of the borrower's loan in the event of their death due to a covered sickness or injury as defined in the certificate of insurance provisions.

**Credit Disability Insurance:** is designed to pay the borrower's scheduled monthly payment, or a portion of it, in the event of their total disability due to a covered sickness or injury as defined in the certificate of insurance provisions.

Consumer borrowing hinges on the premise the borrower can meet debt obligations, which most likely are through future wages. Your borrower's greatest asset is his or her ability to generate an income, and these earnings serve as loan collateral. In the event of the borrower's death or total disability, their income, and thus the loan collateral, is in jeopardy. Credit insurance can protect both the borrower and the financial institution from the negative consequences of a loan default.

Credit insurance is a ***state-regulated product***. Specific rules vary, but typically, each state monitors and sets standards regarding the following:

- Premium rates
- Compensation to the Agent (if applicable)
- Product benefits and exclusions
- Loss ratios
- Refunds on premiums
- Certificates and forms
- Licenses, if applicable

In addition, credit insurance products and their availability may vary by state and account contract. The credit insurance certificates for your account contain very important information. It is critical you read and review the certificates and should you have any questions on the content, please contact CSO at 1-800-826-6587.





# Credit Life Insurance

Credit life insurance provides a benefit that pays off or reduces the remaining amount of the insured borrower's loan in the event of their death, due to a covered sickness or injury as defined in the certificate of insurance provisions. Benefits are paid to the **Irrevocable Beneficiary** who is the lender holding the loan and is noted as the **Creditor Beneficiary** on the certificate. Certain forms of credit life insurance may have benefits exceeding the balance of the loan, and in these situations, the remaining benefits are paid to the insured Co-Borrower if joint coverage was purchased, otherwise to the **Secondary Beneficiary** noted on the certificate. Credit insurance plans pay in addition to any other insurance a borrower may have.

Credit life insurance may be available in single and joint coverage. Loan extensions, skip payments and/or interest-only payments **do not** extend the term of the insurance.

Different coverage options may be available, including but not limited to:

- Gross pay decreasing benefit
- Net pay +2 decreasing benefit
- Truncated net pay +2 decreasing benefit
- Level (Single Payment/Balloon Payment) benefit

Additional information on each of the above coverage options is on the following page.

*Credit life insurance products vary by state.*

*It is important to review the state information handouts provided in the back pocket of this manual.*

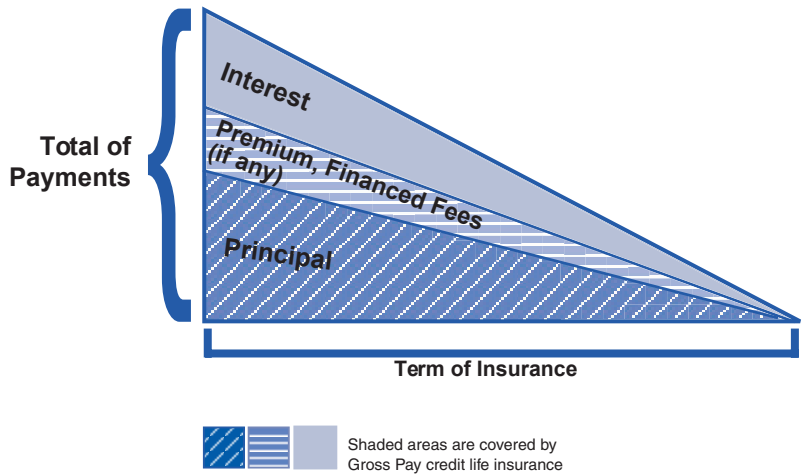
product knowledge

# Credit Life Insurance

## Gross Pay

### Decreasing Benefit

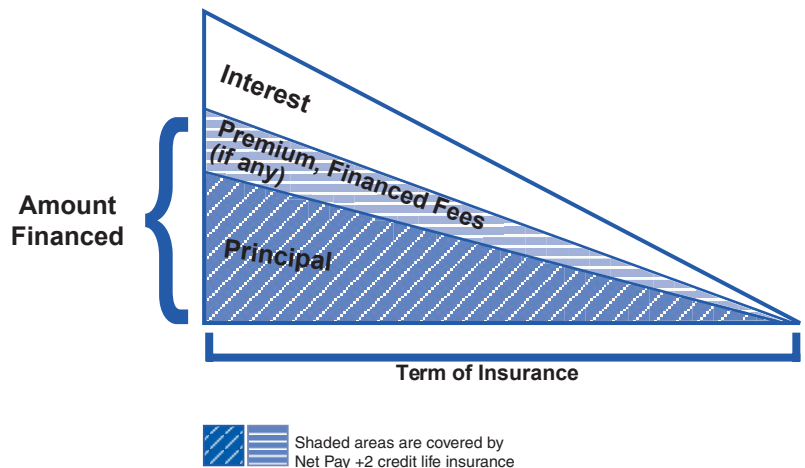
The initial amount of credit life insurance covers the total gross indebtedness (total of payments) of the loan; and includes the principal, financed fees, premium amounts AND interest. The amount of decreasing life insurance is the original amount of life insurance until the first payment due date. The amount of decreasing life insurance then decreases each month by an equal amount (the decreasing amount). That amount is the original amount of life insurance divided by the number of months in the term of insurance. The amount of life insurance in force is calculated by multiplying the decreasing amount times the remaining term of insurance as of the date of death.



## Net Pay +2

### Decreasing Benefit

The initial amount of credit life insurance covers the net indebtedness (amount financed) of the loan; and includes the principal, financed fees and premium amounts. This does not include the unearned interest or delinquent payments. The "+2" feature is designed to cover up to two months of the unpaid interest that may continue to accrue after the insured borrower's death. The amount of decreasing life insurance is the original amount of life insurance until the first payment due date. The amount of decreasing life insurance then decreases at the same rate the amount financed amortizes over the term of the loan. The amount of life insurance in force is then calculated by taking the amortized balance of the original amount of life insurance due on the date of death plus two month's simple interest on such amount. The amount of life insurance does not include any delinquent payment or unearned interest.



***Credit life insurance products vary by state. It is important to review the state information handouts provided in the back pocket of this manual.***

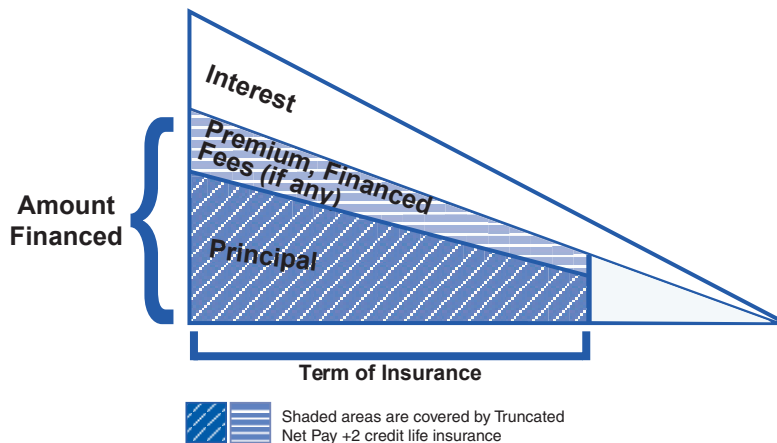
# Credit Life Insurance

## Truncated Net Pay +2

### Decreasing Benefit

The initial amount of credit life insurance covers the net indebtedness (amount financed) of the loan; and includes the principal, financed fees and premium amounts. This does not include the unearned interest or delinquent payments. The "+2" feature is designed to cover up to two months of the unpaid interest that may continue to accrue after the insured borrower's death. The amount of decreasing life insurance is the original amount of life insurance until the first payment due date. The amount of decreasing life insurance then decreases at the same rate the amount financed amortizes over the term of the loan. The amount of life insurance in force is then calculated by taking the amortized balance of the original amount of life insurance due on the date of death plus two month's simple interest on such amount. The amount of life insurance does not include any delinquent payment or unearned interest.

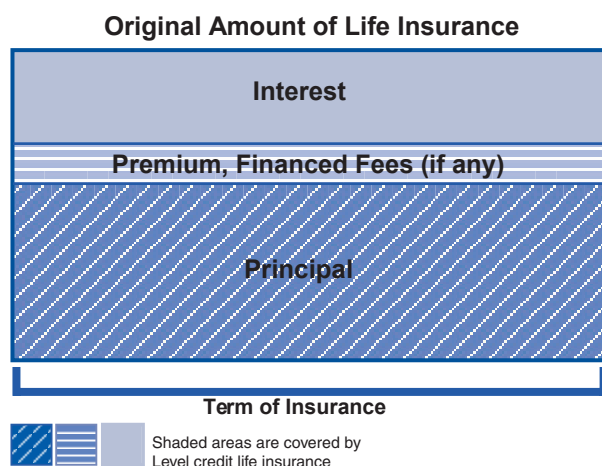
Truncated means the scheduled expiration date of insurance will occur before the loan is scheduled to end. If a loss occurs after the scheduled expiration date of insurance, there is no coverage and no benefits will be paid.



## Level (Single Payment/Balloon Payment)

### Level Benefit

The initial amount of credit life insurance covers the full amount of the loan due at the maturity date of a single pay loan; or the balloon payment on balloon loans. The original amount of life insurance stays the same during the term of insurance and is a flat level amount regardless of the remaining balance of the loan. **Important: Disability coverage is not available on single payment loans or on a balloon payment.**



### IMPORTANT

Rates by state may include delinquencies if due.

When partial coverage is available and issued, the insurance may not be enough to completely pay off the loan. Partial coverage means the credit life insurance coverage is less than the:

- Total indebtedness (total of payments) for gross pay decreasing life
- Amount financed for net pay decreasing life
- Amount financed for truncated net pay decreasing life
- Total indebtedness (total of payments) or balloon payment for level life

*Credit life insurance products vary by state. It is important to review the state information handouts provided in the back pocket of this manual.*



# Credit Disability Insurance

Credit disability insurance provides a benefit that pays the insured borrower's scheduled monthly payment, or a portion of it, in the event of their total disability due to a covered sickness or injury as defined in the certificate of insurance provisions. Benefits are paid to the **Irrevocable Beneficiary** who is the lender holding the loan and is noted as the **Creditor Beneficiary** on the certificate. Credit insurance plans pay in addition to any other insurance a borrower may have.

Credit disability insurance may be available in single and joint coverage. Loan extensions, skip payments and/or interest-only payments **do not** extend the term of the insurance.

Different coverage options are available and are described on the following pages.

*Credit disability insurance products vary by state.*

*It is important to review the state information handouts provided in the back pocket of this manual.*

# Credit Disability Insurance

A period of total disability begins on the first day the insured borrower receives medical treatment and is deemed unable to work due to total disability.\* Benefits are payable after a waiting period, which begins on the same date the period of total disability begins. It pays 1/30th of the maximum monthly total disability benefit for each day of total disability once the waiting period has been met.

## Full Term of Insurance

### Disability Benefit

This benefit option is CSO's most common disability coverage and is designed to provide coverage throughout the full term of the insurance.

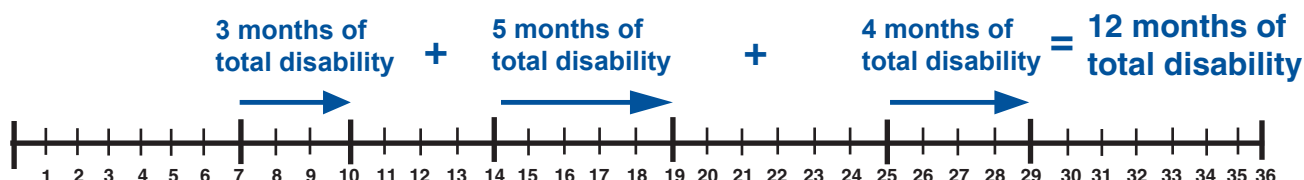
## Critical Period

### Disability Benefit

This benefit option provides a maximum number of monthly benefit payments for 12, 24 or 36 months over the term of the insurance. The maximum number of benefit payments is an accumulation of payments from all disability claims paid under the insurance. Waiting periods apply for each period of total disability. Once CSO has made the total number of benefit payments, the disability coverage ends.

- The 12-month critical period option is available on loans of 36 months or longer.
- The 24-month critical period option is available on loans of 48 months or longer.
- The 36-month critical period option is available on loans of 60 months or longer.

In the below example, the loan has a 36-month term with 12 months of critical period disability coverage. Once CSO has paid benefits for a total of 12 months of total disability, the disability coverage expires.



### IMPORTANT

- If the term of insurance is less than the term of the loan, disability insurance coverage may not last the full length of the loan.
- When partial coverage is available and issued, it may not be enough to make the scheduled loan payment. Partial coverage means the monthly disability benefit is less than the scheduled loan payment.
- Disability coverage is not available on single payment loans.
- For balloon loans, disability coverage will only pay for the periodic monthly payment. It will not pay off the balloon payment at the end of the loan.

\*For a definition of **Total Disability**, please see the certificate.

*Full-Term and Critical Period credit disability insurance products vary by state.  
It is important to review the state information handouts provided in the back pocket of this folder.*

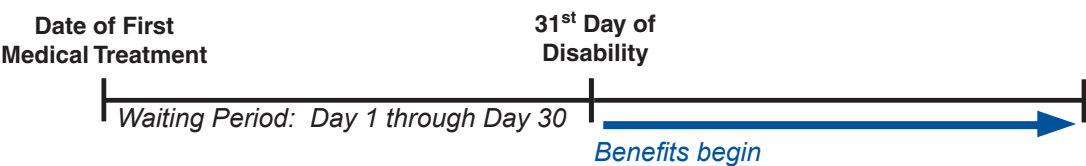
# Credit Disability Insurance

## Waiting Periods

Before CSO pays benefits, the insured borrower must be determined to be totally disabled for a waiting period noted in their certificate (usually 7 days, 14 days or 30 days). Outlined below are two types of waiting period options available with CSO credit disability plans.

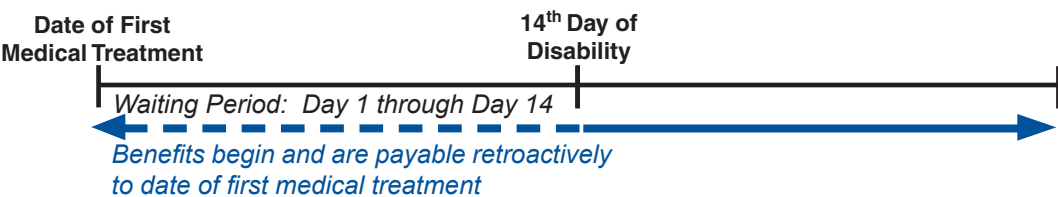
### Elimination Waiting Period

Benefits are calculated from the day after the disability waiting period ends. The below example reflects a 30-day elimination waiting period, which means there is no coverage for the first 30 days of total disability. Benefits are payable beginning on the 31st day of total disability.



### Retroactive Waiting Period

Benefits are calculated from the first day of the disability waiting period once it has been met. The below example reflects a 14-day retroactive waiting period which means benefits are payable back to the first day of the disability waiting period.



***Waiting periods vary by state. It is important to review the state information handouts provided in the back pocket of this folder.***





# Exclusions

As is common with most all insurance, certain exclusions and limitations apply.

Credit life insurance does not pay for losses based on the following exclusions:

- Suicide (within first 12 months of coverage. May vary by state.)
- Misstated age

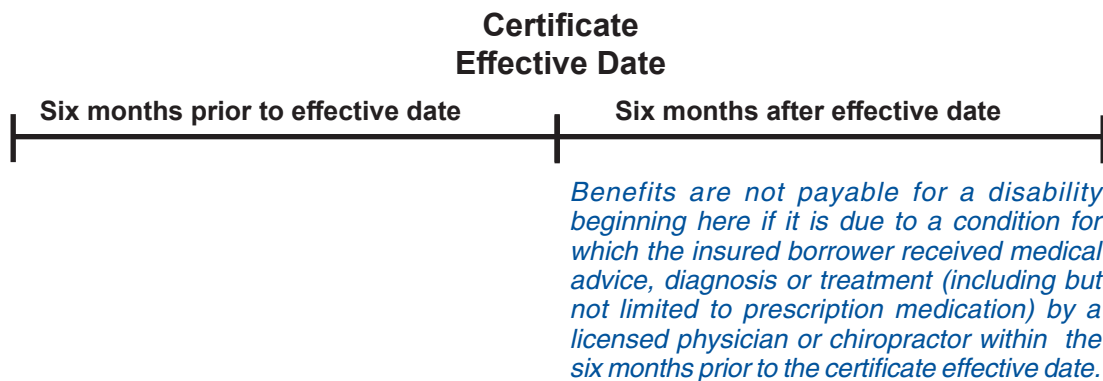
Credit disability insurance does not pay for losses based on the following exclusions:

- Normal pregnancy or childbirth
- Intentionally self-inflicted injuries
- Misstated age
- Pre-existing conditions\*

## \*Pre-Existing Medical Conditions

A pre-existing condition is defined as a medical condition that begins within the first six months after the certificate effective date, if the total disability is due to a condition for which the insured borrower received medical advice, diagnosis or treatment (including but not limited to prescription medication) by a licensed physician or chiropractor within the six months prior to the certificate effective date.

### Example:



# Contestability

The insured borrower's signature on the certificate means the insured borrower agrees to the statements on the certificate. Any statements or misrepresentations which affect CSO's acceptance of the insured borrower may result in loss of coverage for the insured borrower during the first two years the certificate is in effect. Any fraudulent misstatements discovered at any time while the certificate is in effect will result in loss of coverage.

***Exclusions and contestability vary by state. It is important to review the certificate and the state information handouts provided in the back pocket of this folder for specific information.***



# Maximum Limits Appendix - Single Premium Credit Insurance

The Maximum Limits Appendix is part of your contract with CSO and outlines the loan eligibility, coverage maximums and evidence of insurability guidelines. The Maximum Limits Appendix typically addresses the following:

## General Requirements (if applicable)

- 1) Life and/or disability options available
- 2) Product information
- 3) Aggregate maximums (sum of any new and existing coverage)
- 4) Loan/Lease eligibility requirements
- 5) Issue age/Term of Insurance/Coverage maximums
- 6) Borrower's evidence of insurability
- 7) Borrower's signature requirements

In most cases, the insurance should be issued only to persons who meet the eligibility requirements as of the effective date of insurance. Although no medical examination is required to purchase credit life and disability insurance, CSO may require the borrower(s) to attest to a simplified health statement as printed on the credit insurance certificate. This process is similar to the use of a credit application to determine credit risk.

The identification and/or signature of the individual/account soliciting the insurance may be required on the certificate. **Please see your state information handouts provided along with this manual for specific information.**

Please refer to the Maximum Limits Appendix provided along with this manual for specific information.



# Vendor Support

As a contracted account with CSO, you are responsible for issuing accurate and complete certificates. CSO is committed to helping you work with your forms vendors to program both premium calculations and proper form output.

The following pages are a reference guide to help you contact your vendor to request form setup.

**States may also require additional forms be completed and provided to the covered borrower along with the certificate.**

Please NOTE: Your CSO account number is **REQUIRED** to be printed on all certificates submitted for processing.

# VENDOR SUPPORT FOR FINANCIAL INSTITUTIONS

## Quick Guide

**Vendor Support Phone: 800-826-6587**

**Vendor Support Fax: 800-582-6998 (for Test and Sample Copies)**

**CSO works with all vendors. If your software vendor is not listed, please call the CSO Vendor Support number listed above to get started.**

Software Vendor	What to Do:
Compliance One <i>Wolters Kluwer</i>	Phone: 800-274-2711 Ext. 1123660 Email: <a href="mailto:ComplianceOneSupport@WoltersKluwer.com">ComplianceOneSupport@WoltersKluwer.com</a>
Arta	Phone: 1-800-274-2711 Email: <a href="mailto:artalendingsup@WoltersKluwer.com">artalendingsup@WoltersKluwer.com</a>
Laser Pro Finastra Solutions	Finastra Customer Center Phone: 800-274-7287
FIPCO Compliance Concierge	Phone: 800-722-3498 <a href="mailto:fipcosupport@fipco.com">fipcosupport@fipco.com</a>
Jack Henry Streamline	Phone: 800-229-4222 Email: <a href="mailto:vendorqa@jackhenry.com">vendorqa@jackhenry.com</a>
Creative Thinking	Phone: 402-423-7851 Email: <a href="mailto:support@creativethinkinginc.com">support@creativethinkinginc.com</a>
Cardinal Software	Phone: 705-755-0043 Email: <a href="mailto:helpdesk@cardinalsoft.com">helpdesk@cardinalsoft.com</a>
CSO Vendor Support	<ul style="list-style-type: none"> <li>* Help with Rate Set Up, Testing &amp; Troubleshooting</li> <li>* Call CSO Vendor Support <b>800-826-6587</b></li> <li>* Send all test and sample contracts to <b>800-582-6998</b> <a href="mailto:CSO.support@csso.com">CSO.support@csso.com</a></li> </ul>



**CSO** Central States Health & Life Co. of Omaha  
P.O. Box 34350 • Omaha, NE 68134-0350

# VENDOR SUPPORT FOR DEALERSHIPS

## Quick Guide

**Vendor Support Phone: 800-826-6587**

**Vendor Support Fax: 800-582-6998 (for Test and Sample Copies)**

**CSO works with all vendors. If your software vendor is not listed, please call the CSO Vendor Support number listed above to get started.**

Software Vendor	What to Do:
CDK	Call CDK Support Line 866-668-5394 Forms Request, choose Option #4 then Option #1 F&I Request, choose Option #4 then Option #2 Need Dealership Logon ID Request Central States Health & Life Co. of Omaha form CDKsupport@support.cdk.com
Reynolds & Reynolds	Call Reynolds & Reynolds TAC line: 800-767-0080 Request Central States Health & Life Co. of Omaha form
Reynolds & Reynolds (UCS)	Call Client Support Services: 888-999-6348 Need Client Code Choose Option for assigned software rep.
Dealertrack	Call Support: 800-945-1028 Option 4 – business office Option 5 – F&I forms Fax: 801-880-2081 DMSSupport@Dealertrack.com
Lightspeed	F&I Software Support specializing in CDK Software Call the support line: 800-521-0339 Need Dealership Logon ID and Case # Request Central States Health & Life Co. of Omaha form Lightspeed_support@adp.com
Automate	Call Client Support Service: 800-371-3970 Choose option for assigned software rep.
Autosoft	Call Client Support Service: 800-473-4630 Choose option for assigned software rep.
CSO Software Support	* Help with Forms, Rate Set Up, Testing & Troubleshooting * Call CSO Vendor Support <b>800-826-6587</b> * Send all test and sample contracts to <b>800-582-6998</b> * CSO.support@csso.com



Central States Health & Life Co. of Omaha  
P.O. Box 34350 • Omaha, NE 68134-0350

product knowledge





# Submitting Business

We ask you to submit the **Central States** copy of new certificates and the **Creditor/Dealer Cancellation Copy** of cancelled certificates to CSO by the 25th day of each month. Any business received after the 25th will be processed in the following month.

You will need to use either the **Billing** or **Remittance** method to submit business to CSO. These methods are explained below and on the following pages.


## Billing

If utilizing the billing method, send the business to CSO along with a completed Batch Summary Form 2660 (see below). CSO will process the business and send you a Billing Statement by the 10th working day of the following month.

## Billing Form - Batch Summary (Form 2660)

### Example:

Example



Central States Health & Life Co. of Omaha

BATCH SUMMARY

BUSINESS FOR THE MONTH OF \_\_\_\_\_

ACCOUNT NAME \_\_\_\_\_ ACCOUNT # \_\_\_\_\_

CITY & STATE \_\_\_\_\_

# of Issues \_\_\_\_\_ # of Cancellations \_\_\_\_\_

Prepared By \_\_\_\_\_

Form 2660 Rev.

1-08

If you have questions when reporting business, please call 1-800-826-6587.

# Submitting Business

## Remittance

If utilizing the remittance method, send the business to CSO with a completed Credit Report of New Business and Cancellations, Form 601 (see below), **and include a check for the net amount due CSO.**

To compute your remittance, subtract cancellations from gross new business, and deduct your fee from this figure. The remainder is the net amount due CSO.

If the cancellations exceed the new premium written, CSO will return a check to you.

There is an Excel version of Form 601 that can be customized for your account. To obtain custom form you can: (1) register on CSO.com or (2) call your CSO Customer Service Representative.

## Remittance Form - Credit Report of New Business and Cancellations (Form 601)

### Example:

Credit Report of New Business and Cancellations					
Subject to acceptance by the Home Office, we have issued or cancelled the policies or group certificates covered by this report for the month ending _____.					
Acct. Name			Acct. No.		
Address					
List Policies or Group Certificates Issued			Total Number of New Issues	Total Number of Cancellations	
Example					
<b>Separate business being reported by Life* and Disability coverage</b>					
*Life and disability coverages can be reported under any life column if fee is the same on all types.					
	Single Life	Joint Life	Single Disability	Joint Disability	Total
1. Fee	%	%	%	%	
2. Gross Premium on Policies Written					
3. Gross Amount of Premium Refunded for Cancellations. (Total from back side)					
4. Net Premiums (line 2 less line 3)					
5. Fee Amt. (line 1 times line 4)					
6. Net Premiums Due (line 4 less line 5)					
7. Net Amount Due CSO <input type="checkbox"/> Account <input type="checkbox"/>					
NEW BUSINESS – Attach Home Office copy of application or certificate.			Home Office use only		
CANCELLATIONS – Attach Customer's policy or certificate or cancellation receipt signed by the customer. List cancellations on the reverse side of this report.					
Remarks _____					
Please make checks payable to: Central States Health & Life Co. of Omaha					
Send to: CSO P.O. Box 8670 Omaha, NE 68103-0670					
Form 601 6th Rev. (10-12)					






# Billing Statement and Detail Report

The Billing Statement is sent with a Detail Report listing the new and cancelled certificates processed for the month and specifies the net amount due CSO. You will need to pay the amount due CSO in the same month you receive the Billing Statement to keep your account current. (See below)

If cancellations exceed the new premium written, CSO will return a check to you.

This is a representation of what you would receive.

  
Central States Health & Life Co. of Omaha  
PO Box 8670  
Omaha NE 68108-0670  
800-826-6587

STATEMENT

DATE  
ACCOUNT NUMBER

BILL TO

Example

Enclosed is your current billing statement. Please send a check made payable to Central States in the Amount shown in the 'Amount Due' box below.

Previous Amount Due

\$15,786.14

Payments & Adjustments

\$15,786.14

	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	AMOUNT DUE
CURRENT					
\$4,719.44					\$4,719.44

Please include a copy of this statement with your payment.

REMITTANCE

Account #	
Date	
Amount Due	\$4,719.44
Amount Enclosed	

This is the amount  
due to CSO.

Make all checks payable to Central States of Omaha  
PO Box 8670, Omaha NE 68108  
THANK YOU FOR YOUR BUSINESS!

# Billing Statement and Detail Report

The Detail Report is a listing of all the monthly activity for your account. Following is a sample report with pertinent areas noted. This is a representation of what you would receive.

## 1 NEW BUSINESS

## 2 CANCELLATIONS

- 3 NEW BUSINESS (ERRORS) and CANCELLATION (ERRORS).** Premiums for new business and cancellations not processed by CSO due to errors. When items are finalized, premiums will be reflected on subsequent billing statements.

STATEMENT FOR CREDIT INSURANCE										EL - 562
ACCOUNT NAME										PAGE #
<b>ACCOUNT NO. - 0000011110</b>				ACCOUNT NAME		REMIT TO -		CENTRAL STATES OF OMAHA		
				123 MAIN ST.				P.O. BOX 34350		
				ANY TOWN, ST 00000				OMAHA, NEBRASKA 68134		
<b>1 NEW BUSINESS</b>										
NAME OF INSURED	CERTIFICATE NUMBER	EFF. DATE	AGE	TRM	BEN TYPE	FACE AMOUNT/ MONTHLY BENEFIT	PREMIUM REPORTED	PREMIUM REVISED	COMP PCT.	COMPENSATION
JONES BERNITA	0001234567	11-23-99	38	48	LF-SL	15,155.59	371.85		27.500	102.26
WILLIAMS DAVE	0002345678	11-18-99	56	48	LF-JR AH-14R	14,939.00 1,500.00	54.78 237.50		27.500 23.750	15.06 56.41
**** TOTALS LIFE = 2      PREM = 426.63      COMP = 117.32      A&H = 1      PREM = 237.50      COMP = 56.41										
<b>2 CANCELLATIONS</b>										
NAME OF INSURED	CERTIFICATE NUMBER	EFFECTIVE DATE	CANCEL DATE		BEN TYPE	FACE AMOUNT/ MONTHLY BENEFIT	REFUND REPORTED	REFUND REVISED	COMP PCT.	COMPENSATION
JONES THOMAS	0009876543	2-5-96	1-13-99		AH-14R	12.74			40.000	5.10
**** TOTALS LIFE =      A&H = 1      12.74      5.10										
<b>3 NEW BUSINESS (ERRORS)</b>										
NAME OF INSURED	CERTIFICATE NUMBER	EFF. DATE	AGE	TRM	BEN TYPE	FACE AMOUNT/ MONTHLY BENEFIT	PREMIUM REPORTED	PREMIUM REVISED	COMP PCT.	COMPENSATION
DAVIS, DANIEL	0008765432	11-06-99	37	12	LF-SR	25,000.00	250.00	100.00	27.500	68.75
DIFFERENCE OF CALCULATED AND ENTERED PREMIUM OUTSIDE TOLERANCE										
<b>3 CANCELLATIONS (ERRORS)</b>										
NAME OF INSURED	CERTIFICATE NUMBER	EFFECTIVE DATE	CANCEL DATE		BEN TYPE	FACE AMOUNT/ MONTHLY BENEFIT	REFUND REPORTED	REFUND REVISED	COMP PCT.	COMPENSATION
GREEN, KEN	0003456789	1-4-97	11-9-99		LF-SR					
NO MATCHING CERTIFICATE IN CERTIFICATE MASTER FILE										
TRUMAN, JOAN	0001234123	4-23-98	11-26-99		LF-SR		\$14.66			
CALCULATED REFUND OUTSIDE TOLERANCE										

**\*\* This is your CSO Account Number and it needs to appear on all certificates and other documents submitted to CSO.**

# Billing Statement and Detail Report

## PAYMENTS AND ADJUSTMENTS

- ④ Receipts. Payments to CSO.
- ⑤ Charges. Payments/Credits from CSO.

## SUMMARY

- ⑥ Total premium less refunds equals net premium.
- ⑦ Amount due this month is net premium less compensation.
- ⑧ Balance brought forward is the unpaid balance from the previous month.
- ⑨ Receipts and charges are brought forward from (4) and (5).
- ⑩ Write-off adjustment represents the balances under \$1.00 that the system writes off automatically.
- ⑪ Please remit – this is the net amount due CSO from you.
- ⑫ **CLAIM ACTIVITY** during the month.

PAYMENTS AND ADJUSTMENTS					
DESCRIPTION		4	RECEIPTS	5	CHARGES
1276000 11-99 PYMT			15,786.14		0.00
SUMMARY					
			PROCESSED	NON-PROCESSED	TOTAL
LIFE PREMIUM			8,139.01	0.00	8,139.01
A&H PREMIUM			9,019.53	0.00	9,019.53
TOTAL PREMIUMS	A		17,158.54	0.00	17,158.54
LIFE REFUNDS			4688.98	0.00	4688.98
A&H REFUNDS			5727.54	0.00	5727.54
TOTAL REFUNDS	B		10416.52	0.00	10416.52
LIFE NET PREMIUMS			3450.03	0.00	3450.03
A&H NET PREMIUMS		6	3291.99	0.00	3291.99
TOTAL NET PREMIUMS	C = A-B		6742.02	0.00	6742.02
LIFE COMPENSATION			1034.99	0.00	1034.99
A&H COMPENSATION			987.59	0.00	987.59
TOTAL COMPENSATION	D		2022.58	0.00	2022.58
AMOUNT DUE THIS MONTH	7	E = C-D	4719.44		
BALANCE BROUGHT FORWARD	8	F	15786.14		
AMOUNT PAID	9	G	15786.14		
AMOUNT CHARGED		H	0.00		
WRITE OFF ADJUSTMENT	10	I	0.00		
PLEASE REMIT	11	J = E+F-G+H+I	4719.44		
PLEASE RETURN ONE COPY WITH REMITTANCE					
CLAIM ACTIVITY					
12	CERTIFICATE NUMBER	EFFECTIVE DATE	TYPE OF CLAIM PAYMENT		CLAIM AMOUNT
	0005675678	2-25-94	A&H CLAIM PAID		161.44
CLAIM PAYMENT TOTALS		0 LIFE = 0.00	1 A&H = 161.44		TOTAL = 161.44

Example



# Billing Statement and Detail Report

## Summary of Premium Changes Due Borrower

The Summary of Premium Changes Due Borrower is the final page of the Billing Statement and Detail Report. It is a listing of all monthly activity for your account that requires you to either credit a refund amount to a borrower's loan balance or refund directly to the borrower. Each entry represents a letter that was sent to you during the month.

FOR YOUR REVIEW: The list of transactions below result in amounts due to your customers. The two sections summarize the transactions for credit insurance contracts you issued that require you to refund your customer(s) through either a credit to their loan or a direct refund. You were previously notified by letter of the details for each transaction listed below. These transactions are reflected in your current Billing Statement balance. Please use this summary to ensure that all required transactions have been completed as instructed. If you have any questions, contact us at 800-826-6587.

### SECTIONS

- 1 Credit to Loan Balance** - All transactions in this section are refunds that are to be sent by you to the Financial Institution to be applied as a credit on the outstanding loan balance.
- 2 Refund Direct to Borrower** - All transactions in this section are refunds that are to be sent by you, directly to the borrower.
- 3 CSO Refunded Direct to Creditor** - All transactions in this section are refunds made by CSO and sent directly to the creditor.

### COLUMNS

- A Total Due Borrower** - This is the total amount that borrower is entitled to; either as a credit to their outstanding loan balance or by check payable to the borrower.
- B Total Net Premium Change Account** - The amount you are responsible for.
- C Total Net Premium Change CSO** - The amount CSO is responsible for and is provided as a credit on your billing statement.
- D Comment** - A brief description of the transaction.

SUMMARY OF  
PREMIUM CHANGES DUE BORROWER  
PERIOD ENDING 03/31/2016

ACCOUNT SUMMARY

03/31/2016

ACCOUNT NO. - 9000000-0100010001

REMIT TO - 0100010001 CSO ACCOUNT

FOR YOUR REVIEW: The list of transactions below result in amounts due to your customers. The three sections summarize the transactions for Credit Insurance contracts you issued that require a refund to your customer(s) through either a credit to their loan, a direct refund to the borrower, or through a check sent by CSO directly to the creditor. You were previously notified by letter of the details for each transaction listed below. These transactions are reflected in your current billing statement balance. Please use this summary to ensure that all required transactions have been completed as instructed. If you have any questions, contact us at 800-826-6587.

-----  
Action required by you: CREDIT TO LOAN BALANCE

-----FOR REVIEW ONLY-----

CERTIFICATE NUMBER	LAST NAME	EFFECTIVE DATE	LIFE PREM REPORTED AS:	LIFE PREM CHANGED TO:	LIFE PREM NET CHANGE	DIS PREM REPORTED AS:	DIS PREM CHANGED TO:	DIS PREM NET CHANGE	TOTAL DUE BORROWER	TOTAL NET PREM CHANGE ACCOUNT	TOTAL NET PREMI CHANGE CSO	COMMENT
03300033003	ALLAN	03/01/15	.00	1,156.24	1,156.24	.00	.00	.00	1,156.24	555.55	601.24	CANCEL

-----  
Action required by you: REFUND DIRECT TO BORROWER

-----FOR REVIEW ONLY-----

CERTIFICATE NUMBER	LAST NAME	EFFECTIVE DATE	LIFE PREM REPORTED AS:	LIFE PREM CHANGED TO:	LIFE PREM NET CHANGE	DIS PREM REPORTED AS:	DIS PREM CHANGED TO:	DIS PREM NET CHANGE	TOTAL DUE BORROWER	TOTAL NET PREM CHANGE ACCOUNT	TOTAL NET PREMI CHANGE CSO	COMMENT
02200022002	JONES	01/05/12		123.41	123.41	.00	419.94	419.94	543.35	244.51	298.84	CANCEL

-----  
No action required by you: CSO REFUNDED DIRECT TO CREDITOR

-----FOR REVIEW ONLY-----

CERTIFICATE NUMBER	LAST NAME	EFFECTIVE DATE	LIFE PREM REPORTED AS:	LIFE PREM CHANGED TO:	LIFE PREM NET CHANGE	DIS PREM REPORTED AS:	DIS PREM CHANGED TO:	DIS PREM NET CHANGE	TOTAL DUE BORROWER	TOTAL NET PREM CHANGE ACCOUNT	TOTAL NET PREMI CHANGE CSO	COMMENT
0110011001	SMITH	02/05/16	1,706.59	1,147.41	559.18	.00	.00	.00	559.18	223.67	335.51	Endorsed

\*The amounts reflected on this summary may vary slightly from your statement due to rounding issues.






# General Change Endorsements and Corrections

Upon receipt of your business, CSO will audit each certificate for missing information, premium calculation, proper form completion and compliance with all limitations and exclusions. In the event that a correction is required, where available, CSO will issue a correction letter and/or a General Change Endorsement (if needed) to **both** you and the borrower. The General Change Endorsement shown is an illustration to help you become familiar with the information provided.

## Letter from CSO (your copy)

- **Action/No Action Required Indicator** - If action is required by you it will be indicated in red text in the upper right area of the letter.
- **Changes to credit insurance coverage** - The corrections or changes to the policy/certificate will be itemized in the letter, marked with bullet points.
- **Premium Corrections** - For your accounting information, any premium adjustments required due to the changes are itemized by coverage type (Life or Disability) and by responsible party (CSO and you). In all cases the amount on the Difference row of the Total Premium Due Borrower column is the total amount to either be credited to the loan balance or sent directly to the borrower.

**CSO**  
Central States Health & Life Co. of Omaha

April 19, 2016

Dealer Auto Group  
PO Box 123  
Anywhere USA 22222

**No Action Required**  
**Statement Adjustment Notice**

RE: Contract Number: 111111111  
Borrower(s) Name: Barry Allen

This letter is in reference to credit insurance coverage recently purchased by Barry Allen. The contract is not acceptable as it was originally written; therefore, we have enclosed a copy of the General Change Endorsement that was sent to Barry Allen for signature. The Endorsement amends the credit insurance contract.

These changes do result in a premium reduction in the amount of \$343.93. **CSO sent a check for \$343.93 to World Auto Finance to be credited to the outstanding loan balance.** You are responsible for a portion of this refund amount. **The amount of the refund you are responsible for is shown in red below and will be reflected on your next billing statement.**

	Life Premium	Disability Premium	Total Premium Due Borrower	Dealer Auto Group Responsibility	CSO Responsibility
Changed From	\$321.74	\$1,033.65	\$1,355.39	<b>\$474.37</b>	\$881.02
Changed To	No Change	\$689.72	\$1,011.46	<b>\$354.00</b>	\$657.46
Difference	\$0.00	\$343.93	\$343.93	<b>\$120.37</b>	\$223.56

The General Change Endorsement documents the required changes which include:

- A change to the Type of Disability Coverage.
- A change to the amount of Disability Premium paid.

Please review this Endorsement carefully. In order to keep the amended insurance coverage on this loan, the Endorsement must be signed by Barry Allen and returned to Central States Health & Life Co. of Omaha (CSO). If the signed Endorsement is not returned within 30 days of the date of this letter, the insurance contract will be rescinded and the loan will not be protected with credit insurance.

If you have any questions, please contact me at 1-800-826-6587.

Sincerely,

Central States Health & Life Co. of Omaha

Enclosure(s)

Example

## General Change Endorsement (Included with your copy of Letter from CSO)

- **Change From** - documents original information submitted on policy/certificate.
- **To** - documents correction or change.
- **Total Life and Disability Premium Change** - Amount to be applied to outstanding loan balance.
- **Payable To** - Financial Institution holding the loan.

### CENTRAL STATES HEALTH & LIFE CO. OF OMAHA

P.O. Box 34350 • Omaha, Nebraska 68134-0350

### General Change Endorsement

This endorsement is to be attached to and made a part of the policy/certificate listed below. All policy/certificate provisions not in conflict with this endorsement apply.

The effective date of this endorsement is the same as the policy/certificate effective date. The policy/certificate is amended as follows:

#### Reformation Information

Policy/Certificate No.	Policy/Certificate Effective Date	Policy/Certificate Scheduled Expiration Date		Term of Insurance	
1111111111	February 1, 2020	Changed From	February 1, 2026	Changed From	72
		To	No Change	To	No Change
Primary Borrower	<b>Name</b>	<b>Age</b>	Co-Borrower	<b>Name</b>	<b>Age</b>
Changed From	Borrower Name	42	Changed From		
To	No Change	No Change	To		
Life Coverage	<b>Original Amount of Life Insurance</b>	<b>Life Premium</b>	<b>Type of Life Coverage</b>		
Changed From	\$18,491.04	\$552.74	Single Gross Decreasing Life		
To	No Change	No Change	No Change		
Disability Coverage	<b>Maximum Monthly Total Disability Benefit</b>	<b>Disability Premium</b>	<b>Disability Waiting Period</b>	<b>Maximum Disability Benefit Payments</b>	<b>Type of Disability Coverage</b>
Changed From	\$2,500.00	\$1,053.45	14 Retroactive	Full Term	Single Disability (Primary Only)
To	\$256.82	\$634.24	No Change	No Change	No Change
<b>Total Life and Disability Premium Change</b>		\$419.21	<b>Payable To</b>	Lender of Money	

If a box is blank or if the word 'none' or no amount is shown above, that coverage and the provisions which relate to it do not apply to you.

The insurance contract is being reformed as of the original effective date of the contract to reflect the changes above. These changes do result in a premium reduction as documented in the Total Life and Disability Premium Change box above. A premium amount of \$419.21 will be refunded to Lender of Money to be applied to the outstanding loan balance.

Your signature below means that you understand and agree with the changes in this Endorsement. If you are unable to agree with the changes, your insurance contract will be void.

Signature of Primary Borrower

Date

Account Number: 0000000001

Central States Health & Life Co. of Omaha

*Richard T. Kiger*  
Chairman

Form 306C 7-16  
Return to CSO

February 12, 2020  
JJVA CLRf





# Cancellations and Premium Refunds

Credit insurance coverage ends on the scheduled expiration date of insurance shown on the certificate. Credit insurance could end prior to this date for a variety of reasons. Cancellation of the insurance prior to the scheduled expiration date may require a refund of unearned premium as defined in the certificate.

Whenever information is received that an insured loan contract has been pre-paid or terminated before the scheduled expiration date of the insurance, promptly notify CSO and refund or credit any premium to the appropriate party.

To get a cancellation quote call 800-826-6587 or go to [www.cso.com](http://www.cso.com). To send us written notice, complete the cancellation receipt printed on the Creditor/ Dealer Cancellation Copy of the certificate or print and mail quote from **CSO.com**.

**When Credit Insurance Stops:** Credit insurance can stop prior to the scheduled expiration of insurance due to any of the reasons listed below. **Beside each reason is the action you should take.**

**Borrower's Request:** Cancel the certificate as of the request date and refund the unearned premium or credit the insured borrower's loan. The insured borrower(s) must notify CSO by submitting a written request to cancel the certificate.

**Early Loan Pay-off:** Cancel the certificate as of the pay-off date of the loan and refund the unearned premium or credit the insured borrower's loan. CSO must be notified in writing.

**Refinanced:** If the insured borrower(s) refinance(s) the loan, you must cancel the insurance on the date the loan is refinanced. Any unearned premium is to be refunded as you would with any other cancellation. The insured borrower(s) may apply for a new insurance certificate to cover the refinanced loan (See the *Refinancing, Renewal, or Consolidation* provision of the certificate.) CSO must be notified in writing.

**Death:** Credit life coverage in most states is considered fully earned and no refund is made. If the certificate included disability coverage, use the date of death as the cancellation date and refund the unearned premium or credit the covered borrower's loan.

**Free Look Period:** This is a requirement in many states allowing the covered borrower(s) to send the certificate back if he or she is not fully satisfied within a defined time period. Any insurance premium is refunded or credited to the insured borrower's loan. Most states require insured borrower(s) to send the certificate back within 10 to 30 days of receipt. CSO must be notified in writing.

**You can credit the refund to the unpaid balance on the loan or make the refund directly to the insured borrower(s). Be aware that a refund of premium will not reduce the monthly loan payment, which is established in the loan documentation papers signed by the insured borrower(s).**

*It is important to review the state information handouts provided in the back pocket of this manual.*





# Claims

CSO is proud of its accurate claim service. We understand proper handling of claims reflects positively not only for CSO, but also for you. The following pages explain the claim process and your involvement.

## Credit Life Insurance Claims

Filing Instructions: Life insurance claims must be reported to CSO using the following procedures:

- (1) Notify CSO of the life claim to begin the claim process.
- (2) The Report of Death Form 10PD is to be completed by the financial institution. This form is available at [www.cso.com](http://www.cso.com) and varies by state.
- (3) The Authorization to Disclose Personal Information Form 781B is to be completed by the family/next of kin. This form is available at [www.cso.com](http://www.cso.com) and varies by state. This authorizes CSO to solicit personal information/medical records if necessary.
- (4) The completed Report of Death Form 10PD, Authorization Form 781B **and** a certified death certificate should be mailed to the address below:

Central States Health & Life Co. of Omaha  
Claims Department  
P.O. Box 34350  
Omaha, NE 68134-0350

Upon receipt of the Report of Death Form 10PD with the certified death certificate and Authorization to Disclose Personal Information Form 781B, CSO will take **one** of the following actions:

### Make payment

- (1) We will send payment to the Creditor Beneficiary and Secondary Beneficiary (if applicable) and notify the estate.
- (2) We will close all files.

### Request additional information

- (1) If claim is incurred within the first two certificate years, we may request additional information from you, the financial institution holding the loan (if applicable), the physician or another source. If we have not already received the Authorization Form 781B, we will request the estate executor or the surviving borrower (if joint coverage) complete it.
- (2) We will advise you or the financial institution holding the loan of the status.
- (3) Based on the information we receive, we will make a decision on the claim.

### Rescind or Reform coverage/Deny the claim

- (1) If we determine a claim is not payable, we will notify the financial institution holding the loan (if applicable) and the estate.
- (2) If we determine during the claim process that the insured borrower did not qualify for the insurance, we will rescind the coverage and make a full refund of premium to the financial institution holding the loan to be applied to the insured borrower's account. We will bill you for your portion of the premium once we have refunded the premium. If joint coverage, the insured co-borrower is given the option to keep their coverage.
- (3) We will close all files.

**If you have questions, please contact the Claims Department at 1-800-826-6587 to determine the status of the claim.**

*It is important to review the state information handouts provided in the back pocket of this manual.*

# Claims

## Credit Disability Insurance Claims

Filing Instructions: After the covered borrower has been continuously and totally disabled through the required waiting period, follow these procedures:

- (1) Notify CSO of the disability claim to begin the claim process.
- (2) The Report of Disability Form 687 (showing filing instructions) is to be completed by the insured borrower, their employer and their physician. This form is available at [www.cso.com](http://www.cso.com) and varies by state.
- (3) The Authorization To Disclose Personal Information, Form 781B is to be completed by the claimant/insured. This form is available at [www.cso.com](http://www.cso.com) and varies by state. This authorizes CSO to solicit personal information/medical records if necessary.
- (4) The completed Report of Disability Form 687, Authorization Form 781B and a copy of the payment coupon/loan statement should be mailed to the address below:

Central States Health & Life Co. of Omaha  
Claims Department  
P.O. Box 34350  
Omaha, NE 68134-0350

Upon receipt of the Report of Disability Form 687 and the Authorization to Disclose Personal Information Form 781B, CSO will take **one** of the following actions:

### Make payment

- (1) We will send payment to you or the financial institution holding the loan.
- (2) We will send an Explanation of Benefits (EOB) letter to the insured borrower, along with a Policyowner's Progress Report, Form 2966, to be completed within 30 days for the next monthly payment to be issued.
- (3) If we have not received the Progress Report within 45 days, we will send another Progress Report with an additional reminder.
- (4) **IMPORTANT NOTE: If the loan is paid by automatic withdrawal and the insured borrower would like this stopped once CSO benefits begin, the insured borrower must notify you or the financial institution holding the loan.**

### Request additional information

- (1) If claim is incurred within the first two certificate years, we may request additional information from you, the financial institution holding the loan (if applicable), the physician or another source. If we have not already received Authorization Form 781B, we will request the claimant/insured complete it.
- (2) We will advise you or the financial institution holding the loan of the status.
- (3) Based on the information we receive, we will make a decision on the claim.

### Rescind or Reform coverage/Deny the claim

- (1) If we determine a claim is not payable, we will notify the financial institution holding the loan (if applicable) and the estate.
- (2) If we determine during the claim process that the insured borrower did not qualify for the insurance, we will rescind the coverage and make a full refund of premium to the financial institution holding the loan to be applied to the insured borrower's account. We will bill you for your portion of the premium once we have refunded the premium. If joint coverage, the insured co-borrower is given the option to keep their coverage.
- (3) We will close all files.





# CSO Business Solutions

CSO offers the following services for your business solutions:

## Business Processing Options

- ▶ Send certificates electronically or hard copy
- ▶ Electronic data transmission available for larger accounts
- ▶ Electronic remittance form for billing accounts

## Reporting Options

- ▶ Sign up to receive billing statements electronically
- ▶ Excel version of billing statement available upon request

## CSO.com Website Services

- ▶ Claim status
- ▶ Claim forms
- ▶ Refund quotes
- ▶ Licensing & renewal instructions
- ▶ Lender proof of pay-off notices (if applicable)
- ▶ QuikCalc download (quoting software)
- ▶ Customized Remittance/Business Submission Forms
- ▶ Request copies of your Monthly Billing Statement



Central States Health & Life Co. of Omaha

1212 N. 96th Street • Omaha, Nebraska 68114 • [www.cso.com](http://www.cso.com)