Optional Debt Cancellation Program Addendum

Energy Capital Credit Union

Borrower 1 Name (called "You" or "Your")	Date of Birth	Member Number
Borrower 2 Name (also called "You" or "Your")	Date of Birth	Covered Loan Number

PROGRAM OPTIONS for: ☐ **Closed-end Loan** ☐ **Open-end Loan** ☐ **Credit Card** ☐ **Home Equity Loan** | **Effective Date of Protection:**

YOU ELECT: (Check only one box)	☐ **Option 1** • Loss of Life	☐ **Option 2** • Loss of Life • Disability	☐ **Option 3** • Loss of Life • Involuntary Unemployment	☐ **Option 4** • Loss of Life • Disability • Involuntary Unemployment	☐ **Option 5** • Loss of Life Home Equity Loans Only	☐ **No Protection**
Program Fee: Rate per $1,000 of the Monthly Outstanding Covered Loan Balance*	(IY) $1.05	(IZ) $2.95	(JA) $2.10	(JB) $4.00	(T3) $1.53	

*Protection is not available on the portion of the outstanding loan balance that exceeds **$100,000** of loan Protection. The Rate will not be applied to the portion exceeding **$100,000** of loan Protection.

Estimated Total Program Fees for Option Chosen (Closed-End Only): $_____

Review the Disclosures below and sign the enrollment for the Optional Debt Cancellation Program Addendum.

Disclosures:

- Optional Debt Cancellation Program (referred to as the "Program") is voluntary and not required in order to obtain credit. We will not consider whether or not You elect the Optional Debt Cancellation Program in making Our credit decision.
- This Program Addendum contains the conditions upon which We will cancel all or a portion of the Protected Payment, or Protected Balance. The Program Addendum contains terms, conditions and exclusions. Subject to the Program Addendum terms, conditions and exclusions, which You should read carefully, You are eligible for the Program if You are a Borrower on the Covered Loan and under the age of 70 on the Effective Date of Protection.
- Protection is not provided when a Pre-existing Condition causes or contributes to a loss within the 6 months after the Effective Date of Protection.
- On the date You become Disabled or become Involuntarily Unemployed, You must be employed, actively working for income 25 hours or more per week for Us to cancel Your Covered Loan payment due to Disability or Involuntary Unemployment.
- The Program Addendum protects the first two Borrower(s) listed on the lending agreement and matches the name(s) above. Only the first two borrowers may apply for Protection and may not qualify for all benefits.
- The Rate used to determine the Program Fee is shown above. The Rate is subject to change. You will receive notice before any increase goes into effect.
- You have the right to cancel the Program Addendum at any time by providing Us with at least 5 business days advance written notice. We have the right to cancel the Program Addendum at any time by providing You with 30 days advance written notice.

Your signature below means:

- Your election above will remain in effect, according to the terms of the Optional Debt Cancellation Program Addendum, unless subsequently modified.
- You agree that You have received and thoroughly read the Program Addendum.
- You agree to pay the Program Fee when due in addition to Your Covered Loan payment.
- **Late Enrollment / Change of Protection: If Protection is requested 30 days or more after the date You signed your loan documents, for all options, You must acknowledge the Health Statement below.**

  Health Statement: During the 24 months prior to the Effective Date of Protection, You have not been diagnosed, treated or been advised to have treatment by a licensed physician, or You have not been prescribed medication for any condition, disease or disorder of the heart or circulatory system, stroke, high blood pressure (2 or more prescribed medications); medicated diabetes; cancer; any condition, disease or disorder of the lungs or liver or kidney; any condition, disease or disorder of the nervous system; any condition, disease or disorder of the back, spine, neck or joints; arthritis; fibromyalgia; chronic fatigue syndrome; carpal tunnel syndrome; mental disorders; alcoholism or drug addiction; Acquired Immune Deficiency Syndrome (AIDS); AIDS Related Complex (ARC); or HIV infection.
- **You understand and agree with the Disclosures, and if applicable, the Health Statement above for Late Enrollment / Change of Protection, and You understand any false statements or misrepresentations in Your signed Optional Debt Cancellation Program Addendum may result in loss of Protection.**

☐ **Subsequent Election**

If the election above represents a change in the Program Option of an existing loan, and the cost of the newly elected protection results in increased Program Fees, **You agree to increase Your monthly payment to include the Program Fee.**

☐ make additional loan payment of the same amount until what You owe has been repaid.

☐ increase Your loan payment to $_____per_____.

(Program Addendum signed by Power of Attorney voids protection.)

X _____ BORROWER 1 SIGNATURE DATE

X _____ BORROWER 2 SIGNATURE DATE

OPTIONAL DEBT CANCELLATION PROGRAM ADDENDUM

You, meaning a Borrower enrolled in the Program, should read this Addendum carefully and keep it in Your files.
This Addendum explains the terms that both You and We agree to follow for the Program.

DEFINITIONS

ADMINISTRATOR means Central States Health & Life Co. of Omaha and Affiliates; 1212 North 96th Street; Omaha, NE 68114.

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

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

COVERED LOAN means a loan identified on this Program Addendum as a Covered Loan Number.

EFFECTIVE DATE OF PROTECTION means the date You enrolled in a Program Option or the date of an Advance.

EMPLOYMENT or EMPLOYED means actively working for income 25 hours or more per week.

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

PRE-EXISTING CONDITION means a condition for which You received advice, diagnosis, or treatment (including medication) within the 6 months immediately preceding the Effective Date of Protection for the Advance.

PROTECTED BALANCE means the pay-off amount owed under the Covered Loan on the first day of a Protected Event less any Non-Protected Advances. There may be protection limitations for borrowers with multiple program contracts. The maximum aggregate limit for all loans per borrower is based upon Our lending limits and contractual agreements.

PROTECTED EVENT means Your Loss of Life, Disability, or Involuntary Unemployment, which occurs on or after the Effective Date of Protection or date of an Advance and prior to the **TERMINATION OF THE PROGRAM ADDENDUM**.

PROGRAM FEE means the amount You pay for protection under this Program Addendum. The rate used to determine the Program Fee is subject to change. You will receive notice before any increase goes into effect.

PROTECTED PAYMENT means the minimum payment amount, including principal, interest, and the Program Fee, due on the Protected Balance and that is eligible for protection. Protected Payment does not include any other fee or insurance amount not included in the Protected Balance, scheduled balloon payment, escrow amounts, the amount of any minimum payment that represents past due payments, or amounts that exceed any credit limit for the Covered Loan. For balloon loans, the Protected Payment will be determined using the minimum payment amount due for the period immediately preceding the scheduled balloon payment. For variable rate and/or variable payment loans, the Protected Payment will remain equal to the Protected Payment as of the first day of the Protected Event. The Protected Payment cannot exceed an amount equivalent to **$1,000** per month. Any Advance taken during any period of a Protected Event will not be protected and the payment for that Advance will not be canceled. When a benefit request is approved, the Protected Payment will be converted to an equivalent monthly amount if Your Covered Loan payment is due other than on a monthly basis.

WE, US, OUR means the Credit Union named on the Covered Loan and this Program Addendum.

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

GENERAL PROVISIONS

PROOF OF A PROTECTED EVENT. You must notify Us or Our Administrator when a Protected Event occurs. Benefit request forms and written evidence may be required periodically to show that conditions of the Program Addendum are satisfied. If You do not submit a benefit request or provide initial or continued proof of a Protected Event within one year of the date requested, We will not accept (or continue to accept) Your benefit request.

PAST EVENTS. This Program Addendum does not protect You from events that occurred before the Effective Date of Protection.

TAX IMPLICATIONS. You may be subject to federal, state, and local taxes on the amount of a canceled debt. You should consult Your tax advisor. Neither We, nor Our Administrator, are able to provide You with tax guidance.

CHANGING THE TERMS OF THIS ADDENDUM. We have the right to change (including the addition or deletion of) the terms of this Program Addendum. You will receive notice before **any** change goes into effect. Your continued payment of the Program Fee will constitute Your acceptance of the change in terms. You have the right to cancel this Program Addendum at any time.

CHANGING BETWEEN OPTIONS. If You change from one Program Option (the "prior Program Option") to a different Program Option (the "current Program Option"), and an event occurs that does not qualify for protection under the current Program Option because of the new Effective Date of Protection, We will recognize the continuous time protected for a specific event under both Program Options. However, the level of protection available will be the lesser of:

- the protection that would be provided under the current Program Option if the Effective Date of Protection was adjusted to be the same as the Effective Date of Protection under the prior Program Option; or
- the protection that would have been provided under the prior Program Option if it had remained in effect.

To make Program Option changes, a new Program Addendum must be completed showing the subsequent election change, and any additional fees must be paid. This Program Addendum will terminate upon Our acceptance of the new Program Addendum application.

TERMINATION OF THE PROGRAM ADDENDUM. You may terminate this Program Addendum at any time by providing Us with written notice at least 5 business days prior to the requested termination date. If You do so within 30 days of enrolling in the Program, We will return the Program Fee charged, if any.

Your protection under this Program Addendum will terminate:

- on the last day of the month during which You reach age 70.
- on the date of Your Loss of Life.
- when any portion of the Program Fee is past due for 90 days or more. Protection will terminate on the due date for which You last paid the Program Fee. You must re-apply to participate in the Program.
- for any other reason if We give You written notice at least 30 days in advance of the termination (or as required by law).

Termination will not affect benefits for a Protected Event that occurred prior to the termination date as long as an outstanding balance remains on the loan.

ERRORS AND ADJUSTMENTS. If We cancel more or less than We should have according to the terms of this Program Addendum, We will adjust the balance when the error is discovered. If We issued protection under the Program due to Our own error, and We recognize Our error before a Protected Event occurs, this Program Addendum will be void as of the Effective Date of Protection and Our obligation to You is limited to return of any Program Fee You paid. If We recognize Our error after a Protected Event occurs, We will provide benefits for that Protected Event in the amount and for the duration set forth in this Program Addendum. However, this Program Addendum will otherwise terminate as of the date the Protected Event occurred and any events occurring after that date will not be protected.

However, if You misstated a material fact when enrolling for the Program that caused Us to issue protection under this Program Addendum when We otherwise would not have, We will return any Program Fee You paid when We discover this, and We will not provide any benefits even if an otherwise Protected Event has already occurred.

WAIVER OF PROVISIONS. We reserve the right to waive any of the requirements described in this Program Addendum, at Our sole discretion. If We do so, We will not be obligated to waive the same requirements in any other situation and Our waiver will not constitute a waiver of any other requirements.

CONTINUED EFFECTIVENESS. If any part of this Program Addendum is determined to be unenforceable, the rest will remain in effect.

PROTECTED EVENTS

A Covered Loan is protected according to the terms of this Program Addendum if You are enrolled for the specified Program Option, You experience a Protected Event before the end of the month during which You reach age 70, and You have paid the applicable Program Fee.

LOSS OF LIFE (Included with Option 1, Option 2, Option 3, Option 4 and Option 5)

If You die, We will cancel the lesser of 100% of the Protected Balance or **$100,000**. This Program Addendum will terminate after We cancel Your Protected Balance for Your Loss of Life event. Protection will end for You and the joint Borrower, if applicable, for all Protected Events.

DISABILITY (Included with Option 2 and Option 4)

Disability/Disabled means that You are totally Disabled. This means You:

- are unable to engage in the significant duties of Your occupation for at least 30 consecutive days; and
- are under the regular care and treatment of a physician for Your Disability; and
- are not working at any job or combination of jobs for paying You an income; and
- have not been released by Your physician for light or partial duty.

Your Disability period begins on the first day You receive medical treatment and are deemed unable to work by a physician due to total Disability.

If You are Employed when You become Disabled for at least 30 consecutive days, We will cancel Your Protected Payment for the period that You are Disabled:

- beginning with the 31st day of Disability; and
- for up to 12 months of Disability or until the entire Protected Balance is canceled, whichever occurs first.

If Your loan has a scheduled balloon loan payment during Your Disability period, the Protected Payment will be determined using the minimum payment amount due for the period immediately preceding the scheduled balloon payment.

After Your initial Disability period begins, You must continue to provide a written certification monthly of Your Disability or at such reasonable intervals as We determine to justify the continuation of Protected Payments. The written certification must show the date Your Disability began, the date(s) of treatment, the diagnosis, status of medical treatment, the name, address, and telephone number of Your attending physician, and must be signed by Your attending physician.

A canceled amount for any period of Disability less than 30 days will be calculated at a rate of one-thirtieth (1/30th) of the Protected Payment for each day of such period. Your Protected Payment cannot exceed an amount equivalent to **$1,000** per month of Disability.

Cancellation of Your Protected Payment will stop the earliest of:

- 12 months of Protected Payments have been canceled; or
- the date You return to Employment at any job or combination of jobs paying You an income; or
- You no longer qualify for Disability protection; or
- You no longer have a Protected Balance; Your loan is paid-off, or discharged for any reason; or
- Your Loss of Life.

INVOLUNTARY UNEMPLOYMENT (Included with Option 3 and Option 4)

Involuntary Unemployment means that for at least 30 consecutive days You are not working at any job, or any combination of jobs for pay or benefits and that You are actively seeking Employment. Involuntary Unemployment does not include any annual, regularly scheduled, or seasonal layoff or any period of unemployment that occurs while You are a temporary employee, independent contractor, self-employed, or employed by a joint Borrower. It also does not include any retirement, vacation, strike, unionized labor dispute, lockout, sabbatical, family leave, disability, pregnancy or childbirth, termination due to Your Willful or Criminal Misconduct, resignation by agreement with Your employer, voluntary furlough, voluntary unemployment, or voluntary loss of income.

If You are Employed when You become Involuntarily Unemployed, We will cancel 100% of the Protected Payment of the Protected Payment for the period that You are Involuntarily Unemployed:

- beginning with the 31st day of Involuntary Unemployment or the first day after any severance pay has ceased, whichever comes later; and
- for up to a maximum of 6 months of Involuntary Unemployment or until the entire Protected Balance has been canceled, whichever occurs first.

If Your loan has a scheduled balloon loan payment during Your Involuntary Unemployment period, the Protected Payment will be determined using the minimum payment amount due for the period immediately preceding the scheduled balloon payment.

A canceled amount for any period of Involuntary Unemployment less than 30 days will be calculated at a rate of one-thirtieth (1/30th) of the Protected Payment for each day of such period.

Your Protected Payment cannot exceed an amount equivalent to **$1,000** per month of Involuntary Unemployment.

For Involuntary Unemployment, We will initially require proof that You have received federal, state, or railroad unemployment benefits for the period of unemployment to determine if You meet the definition of Involuntarily Unemployed. You must provide evidence of Your continued Involuntary Unemployment each month by demonstrating Your continued registration with a state unemployment office or a recognized employment agency.

NON-PROTECTED EVENTS & ADVANCES

An Advance is not protected by this Program Addendum if:

- the event is due to committing or attempting to commit a felony, or
- the event is caused by or results from an atomic explosion or any other release of nuclear energy (except when used solely for medical treatment), or
- the event occurs after the end of the month during which You reach age 70, or
- the event occurs prior to the Effective Date of Protection.

Additional Non-Protected Events are specified below.

An Advance is not protected by **Loss of Life** protection if:

- the event occurs within the 6 months immediately following the Effective Date of Protection for the Advance and is caused by or contributed to a Pre-existing Condition, or
- the event is the result of a suicide that occurs within the 12 months immediately following the Effective Date of Protection for the Advance or an intentionally self-inflicted injury.

An Advance is not protected by **Disability** protection if:

- You are not Employed, actively working for income 25 hours or more per week on the date You become Disabled; or
- the event occurs within the 6 months immediately following the Effective Date of Protection for the Advance and is caused by or contributed to a Pre-existing Condition; or
- the event is related to a normal pregnancy or childbirth; or
- the event is due to an intentionally self-inflicted injury.

An Advance is not protected by **Involuntary Unemployment** protection if:

- You are not Employed, actively working for income 25 hours or more per week on the date You become Involuntarily Unemployed; or
- the event occurs within the 6 months immediately following the Effective Date of Protection for the Advance, or
- the event is due to an intentionally self-inflicted injury.

CONCURRENT PROTECTED EVENTS

If We are canceling the Protected Payment for one Protected Event and another Protected Event occurs either to the same Borrower or to the other Borrower if both are protected the following applies.

- The amount canceled will be determined according to the terms applicable to the first Protected Event.
- When benefits are no longer available for the first Protected Event, the amount canceled, if any, will be determined according to the terms applicable to the second Protected Event.
- We will not cancel more than one monthly Protected Payment.
- If two protected Borrowers die at the same time, We will cancel the lesser of the Protected Balance or **$100,000** for Option 1, Option 2, Option 3, Option 4, and Option 5.

RECURRENT EVENTS

If You experience the same type of Protected Event again less than 12 months after You have returned to Employment, We will consider this a continuation of the prior event. For Disability, however, this only applies if You are Disabled due to the same or related condition. Any remaining time period available from the earlier Protected Event will continue beginning with the date of the recurrence. If You experience the same type of Protected Event after returning to Employment for at least 12 continuous months, We will consider it a new Protected Event. This provision applies whether You return to work with the same or a different employer.

STATUS OF THE COVERED LOAN AFTER A PROTECTED EVENT

The cancellation of debt may be less than the minimum payment due on the Covered Loan and may not coincide with the minimum payment due date. You are responsible for any difference between the minimum payment due on the Covered Loan and the amount canceled. Also, during the time it takes to process a benefit request, You remain responsible for making at least the minimum payment due on the Covered Loan by the payment due date.

Contact Us with any questions on the Program Addendum.
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