



Mark N. Starr
President and Chief Executive Officer

Ms. Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, DC 20551

Re: Proposed Rule – Revisions to Reg Z – Credit Protection Products
Docket No. R-1390

Dear Ms. Johnson:

The Federal Reserve changes to Regulation Z relative to credit insurance and debt cancellation products are completely inappropriate. Insurance products have nothing to do with Truth in Lending and calculating the cost of credit. Additionally, these products are regulated by state insurance departments. State regulators have required fair and balanced disclosures to consumers for decades. These disclosures make it very clear the products are not required to get the credit product. Further, they provide oversight to the entire insurance sales process including setting rates.

The proposed disclosures themselves were written by someone who does not believe in the value of insurance or understand it. Questions such as "Do I need this product?" with an answer suggesting you may not need it depending on other insurance you have, are extremely uninformed. A consumer's need for insurance can only be determined after a complete analysis of each family's situation. Requiring statements like this to dissuade a consumer from protecting their family is outrageous!

I suggest that the Federal Reserve not interfere with state insurance regulator activities. If they are concerned about what is in the insurance disclosures, they should start by reviewing the consumer conscious disclosures various state regulators have required for years. Secondly, they should comment to the various state regulators on any concerns they have, if there are any. Third, the Federal Reserve should keep Regulation Z focused on the cost and disclosure of credit and stay out of the insurance regulation business!

Sincerely,

A handwritten signature in black ink, appearing to read "Mark N. Starr", with a long horizontal line extending to the right.

Mark N. Starr
President/CEO

MNS/dd

CC: Mr. Kevin M. McCarty
Florida State Insurance Commissioner

**G-16(B) OPEN END
Credit Life Insurance Sample**

OPTIONAL COSTS

Option to Purchase Credit Life Insurance

STOP. You do **not** have to buy Credit Life Insurance to get this line of credit. Go to www.frb.gov/creditprotectionproducts to learn more about this product.

Do I need this product?	If you already have enough insurance or savings to pay off this line of credit if you die, you may not need this product. Other types of insurance can give you similar benefits and are often less expensive.
How much does it cost?	This product will cost up to \$63 per month if you borrow the entire credit limit. The cost depends on your balance and interest rate.
What is the maximum benefit amount?	This product only covers the first \$50,000 of the outstanding line of credit. You will be responsible for any balance due above \$50,000.
Can I receive benefits?	<u>You may not receive any benefits even if you buy this product.</u> You meet the age eligibility requirements, but there are other requirements that you must meet. If you do not meet these requirements, you will not receive any benefits even if you buy this product and pay the monthly premium.
How long does the coverage last?	This product provides coverage for the first 10 years of your line of credit or until you reach age 70, whichever comes first.

Yes, I want to purchase optional Credit Life Insurance at a cost of up to \$63 per month.

Signature

**G-16(A) OPEN END
Credit Insurance, Debt Cancellation or
Debt Suspension Coverage Model Form**

OPTIONAL COSTS

Option to Purchase (Name of Product)

STOP. You do not have to buy (*name of product*) to [get][keep] this line of credit. Go to (*Web site of the Federal Reserve Board*) to learn more about this product.

Do I need this product?	[These payments will only temporarily suspend your payments due and will not reduce the balance you owe. Your balance will actually increase during the suspension period as interest continues to accumulate.] If you already have enough insurance or savings to [pay off this line of credit][make payments on this line of credit] if you (<i>covered event</i>), you may not need this product. Other types of insurance can give you similar benefits and are often less expensive.
How much does it cost?	This product will cost up to (<i>maximum premium or charge</i>) per (<i>period</i>) if you borrow the entire credit limit. [The cost depends on your [balance][interest rate].
What is the maximum benefit amount?	This product [will pay off your outstanding line of credit][only covers the first (<i>maximum benefit amount</i>) of the outstanding line of credit][will make your minimum payments of up to (<i>amount</i>) for (<i>time period</i>)]. [You will be responsible for any balance due above (<i>maximum benefit amount</i>).]
Can I receive benefits?	<u>[You may not receive any benefits even if you buy this product.]</u> You meet the [age][employment] eligibility requirements [but there are other requirements that you must meet. If you do not meet these requirements, you will not receive any benefits even if you buy this product and pay the (<i>period</i>) [premium][charge]].
How long does the coverage last?	This product provides coverage for the first (<i>period</i>) of your line of credit [or until you reach age (<i>age</i>), whichever comes first].

Yes, I want to purchase optional (*name of product*) at a cost of up to (*maximum premium or charge*) per (*period*).

[Signature][Initials]