From: FIS Group, Mike D. Ewert

Subject: Regulation Z - Truth in Lending

Comments:

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Proposal: Regulation Z - Truth In Lending Act
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Comments:

I am providing feedback on the proposed credit and debt protection disclosures. The proposed disclosures are misleading and very negative in nature. The majority of individuals in this country are underinsured from a life and disability standpoint and can and do benefit from these services every day. There are several examples of misleading disclosures in the proposed revisions. Examples of misleading disclosures include the following: 1) You may not receive benefits even if you buy this product. This statement is absolutely false. The only exclusions that would cause a death claim to be denied is suicide in the first 24 months and any misstatement in answering the health questions/statement. If this would be the case, the entire premium is refunded to the customer. The same thing would happen in the case of a disability claim being denied for a pre-existing condition. All exclusions are provided in the policy the customer currently recieves. 2) If you have enough insurance or savings you may not need this product. 80% of Americans have less than $50,000 in life insurance and do not have disability benefits through work. Therefore, the majority of individuals have a need for credit protection. If I have $50,000 of life insurance, do I want that to go towards paying off debt or providing an income stream for my family. The value of credit protection is providing a means to pay off debt so that term and whole life insurance proceeds can help offset the loss of an income due to death. 3)Other insurance products provide similar benefits and are often less expensive. In most states, credit protection pricing is actually less expensive for indivduals ages 45 or older. So to say it is often less expensive is factually incorrect.
In closing, by providing these additional disclosures, the result will be a decrease in acceptance of these valuable services. This will adversely impact the majority of customers who, according to national statistics, do not have adequate life insurance, disability coverage at work, or savings. Each state currently regulates credit life and disability rates and does a great job in ensuring that a certain loss ratio is acheived. If the mandated loss ratios are

not met, the rate is typically reduced until the required loss ratios (claims) have been met. In the end, these proposed disclosures do a tremendous disservice to customers of financial institutions and credit unions who will not take the product and have financial hardship should they become sick or injured or die. Please reconsider your proposed changes and the negative impact this will have on the majority of the customers who have taken these products and collected benefit. Sincerely, Mike Ewert, President FIS Group