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Chairman

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Central States Health & Life Co. of Omaha

November 9, 2010

Chairman Ben S. Bernanke  
Federal Reserve Board  
20<sup>th</sup> Street & Constitution Ave NW  
Washington, D.C. 20551

Subject: Proposed Rule R-1390; Regulation Z - Truth in Lending

Dear Chairman Bernanke,

We are writing this letter on behalf of Central States Health & Life Co. of Omaha ('Central States'), a Nebraska corporation in the credit insurance and debt protection business. Central States opposes the Federal Reserve Board ("Board") Proposed Rule R-1390, requiring changes to the disclosures and finance charge calculation for credit insurance and debt protection products under federal Regulation Z. We believe the proposed disclosure statements are harmful and misleading. Our experience indicates the overwhelming number of financial institutions conduct business in a professional, consumer conscious manner. We also personally know credit insurance and debt protection products have made a positive impact on our customers and their families. While Central States' legal staff will be submitting formal comments to the Board regarding Proposed Rule R-1390, we are compelled to write to you personally to express our frustration and dismay with the Board's overreaching proposed changes to Regulation Z and to request you directly intervene in this matter.

This proposed regulation is harmful to America. Why would a government agency discourage a fundamental need from being met? In a society where the vast majority of individuals are either underinsured or have no protection at all, insurance or otherwise, it does not make any logical sense to discourage offering protection tied to a new loan obligation. One of our insureds recently wrote to us, "I was out of work for about 2 1/2 months. I didn't get any check from work for 3 weeks. I got behind on some bills. This check helps me to catch up. Thank you!"

The Board's proposed disclosures are misleading. Who was responsible for originating this material? Clearly, it must have been someone with a personal bias. The proposed disclosure, for example, which states "Other types of insurance can give you similar benefits and are often less expensive" is incorrect and misleading. It is virtually impossible to compare life and disability protection tailored to a specific loan (a fundamental characteristic of credit insurance and debt protection products) with traditional insurance products. For example, the coverage amount and associated premium or fee for credit insurance and debt protection products is limited to the loan amount, and the applications typically have a few simple, 'Yes or No' health question(s) and no age banding. To purchase term life insurance, on the other hand, the consumer typically must apply for substantial amounts of coverage, often with minimums of \$100,000 or more, potentially buying more coverage and incurring greater

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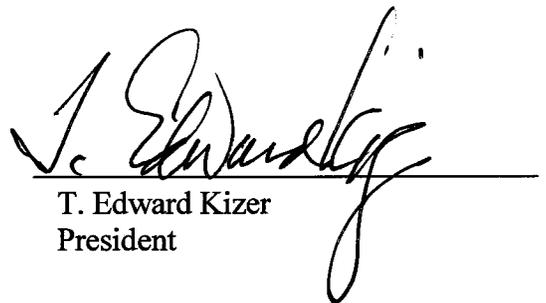
out of pocket cost than the consumer can otherwise afford. Moreover, applications for term life insurance are lengthy and can require invasive medical analysis. Statements blatantly false have no place in "Truth in Lending" disclosures. Another of our insureds recently wrote, "This insurance was very helpful at a difficult time in my life. Thank you. I would have lost my vehicle. I recommend it to everyone."

The proposed disclosures are insulting to the overwhelming majority of lenders. Thousands of lenders believe in and practice treating customers as they themselves would want to be treated. Is it necessary to fix something that is not broken? If in fact, some lenders are abusing their customers, seek them out and penalize them. Do not ruin an entire industry because of a few bad lenders. We cannot imagine how they would remain in business by treating their customers so poorly. The manner in which these proposed disclosures were developed is offensive to responsible, decent and professional lenders. Consider the following comment from one of our insureds: "With this insurance I was able to pay other bills and still keep food on the table for my kids." \*

Since 1932, Central States Health & Life Co. of Omaha has existed to help people enhance their lives by offering quality insurance and debt protection products and services, thereby assisting people in minimizing their financial risks. Do not allow these ill conceived proposed changes to prevent these valuable products from being made available to the thousands of borrowers who need and want it. We are requesting you directly intervene in this matter on our behalf and on behalf of the thousands of responsible lenders helping consumers cope with the unplanned hardships life throws their way.

Best Regards,

  
Richard T. Kizer  
Chairman

  
T. Edward Kizer  
President

\*Central States Health & Life Co. of Omaha has 1,000's of customer testimonials explaining how their lives were enhanced by having credit protection on their loans.