

**CSO Family of Companies
Marketing and Administration Agreement for
Debt Cancellation on Direct Loans**

This Agreement is entered into and is effective _____,
by and among:

**Central States Health & Life Co. of Omaha
(herein called "CSO")
P.O. Box 641668
Omaha, Nebraska 68164-7668
and
Censtat Services, Inc
(dba Censtat Insurance Services, Inc. in CA)
(herein called "Censtat")
P.O. Box 641668
Omaha, Nebraska 68164-7668
and**

(herein called "Financial Institution")

WHEREAS, the members of the CSO Family of Companies are in the business of providing consultation and services relating to the developing, marketing and administering debt protection programs (herein called "DPP") including providing for the transfer of risk from the Financial Institution to an authorized insurer; and

WHEREAS, Financial Institution has developed a DPP to offer its Borrowers; and

WHEREAS, Financial Institution has, through Censtat secured the purchase of a Contractual Liability Policy (herein called "CLP") through an authorized insurer; and

WHEREAS, Financial Institution desires to have Censtat and CSO, as members of the CSO Family of Companies, perform marketing and administrative services related to DPP; and

WHEREAS, Censtat, a member of the CSO Family of Companies, warrants to Financial Institution it has the authority to provide such marketing services; and

WHEREAS, CSO, a member of the CSO Family of Companies, warrants to Financial Institution it has the authority to provide such administrative services:

NOW THEREFORE, Financial Institution, CSO and Censtat, in consideration of Financial Institution securing the purchase of a CLP, from an authorized insurer arranged through Censtat, and of the mutual covenants and promises contained herein, and for other good and valuable consideration, which is hereby acknowledged, agree to the following:

1. DEFINITIONS: For purposes of this Agreement, the following definitions apply:

Approved Addendum/Addenda means any debt cancellation agreement of Financial Institution issued within the guidelines of the attached Coverage Limits Appendix and covered under the CLP.

Borrower means a natural person who enters into a loan with Financial Institution. That person may be a primary borrower or a co-borrower.

Gross DPP Fee(s) means the total fee charged by Financial Institution to its Borrowers for Approved Addenda.

Gross Premium(s) means the premium charged Financial Institution for coverage of each Approved Addendum under the CLP.

Net DPP Fee(s) means the Gross DPP Fee charged by Financial Institution to Borrowers for Approved Addenda less refunds of Gross DPP Fees paid to Borrowers for cancelled Approved Addenda.

Net Premium(s) means the Gross Premium less refunds of Gross Premium for cancelled CLP coverage of Approved Addenda.

Nonpublic Personal Information (herein called “NPI”) means any personal information of a Borrower furnished to or obtained by CSO or Censtat in the performance of their duties and responsibilities under this Agreement including but not limited to the following: application information, medical information, account information, names, addresses and telephone numbers, consumer report information, and the mere fact that an individual is or was a customer of Financial Institution; information that relates to, or derives from, any transaction between Financial Institution and any individual; or a list, description or other grouping of Financial Institution customers and any list of Financial Institution’s Borrowers covered under its DPP.

2. **TERM:** This Agreement shall be effective as of the specified effective date executed by the parties and shall continue, unless terminated under Article 17 of this Agreement.
3. **AUTHORIZATION TO CENSTAT:** Financial Institution authorizes Censtat to:
 - (a) Arrange the purchase of a contractual liability policy with an authorized insurer.
 - (b) Provide marketing support.
4. **SERVICES OF CENSTAT:** Censtat shall arrange for CLP coverage for Financial Institution and shall issue new Appendices when necessary without amending this Agreement upon 30-day notice to the other parties. The issuance of an Appendix with a more recent Issue Date shall supersede the previous issue and shall be incorporated herein upon written notice to the other parties.
5. **AUTHORIZATION TO CSO:** Financial Institution authorizes CSO to provide all administrative services necessary to manage the implementation, reporting and accounting of Financial Institution’s DPP. This authorization shall include all services specified in this Agreement and such other services as may be necessary to perform those duties.
6. **SERVICES OF CSO:**

CSO shall:

 - (a) Institute and administer procedures and guidelines necessary for the processing of Financial Institution’s Approved Addenda. Such procedures and guidelines shall be in accordance with any or all of: (1) the Coverage Limits Appendix; and (2) the Gross DPP Fee Appendix for each Approved Addenda, which have been mutually agreed upon by the parties.
 - (b) Audit Financial Institution’s Approved Addenda for compliance with Financial Institution’s requirements, including but not limited to: (1) Gross DPP Fee calculations; and (2) Gross DPP Fee refund calculations; and (3) compliance with coverage limits as set by Financial Institution in the Coverage Limits Appendix. Notify Financial Institution upon receipt of Approved Addenda, of noncompliance with coverage limits, fee calculations and refund calculations, and issue notice of change endorsements when applicable. However, CSO shall not be responsible for auditing coverage limits of Approved Addenda associated with open-end equity lines of credit.
 - (c) Prepare and maintain production records of Approved Addenda issued or cancelled by Financial Institution, which have been reported to CSO.
 - (d) Deliver a listing of all Approved Addenda for Financial Institution and the CLP insurer as requested by Financial Institution and/or the CLP insurer.
 - (e) Receive and account for CLP insurance premiums and pay same to the CLP insurer.
 - (f) Prepare and furnish Financial Institution with all necessary claim and reporting forms.
 - (g) Adjudicate claims made by Borrowers in accordance with the terms of the Approved Addenda.
 - (h) File claims with the applicable contractual liability insurer for CLP benefits upon receipt of an insurable event or notify Financial Institution of benefit denial by the insurer.
 - (i) With Financial Institution’s cooperation, respond to all complaints relating to Approved Addenda after receipt of the complaint by CSO.
 - (j) Institute and administer procedures, guidelines and systems necessary for the calculation of reserves appropriate for all Approved Addenda in effect at Financial Institution.
 - (k) Calculate reserve amounts and prepare and distribute reserve reports to Financial Institution, when requested by Financial Institution.
 - (l) Provide Financial Institution a written actuarial opinion regarding the adequacy of reserves calculated by CSO, when requested by Financial Institution.
 - (m) Provide information to Financial Institution on debt cancelled under Approved Addenda when requested by Financial Institution to complete 1099’s.
 - (n) Receive and disburse monies due relating to all transactions under the terms of this Agreement.

7. DUTIES AND RESPONSIBILITIES OF FINANCIAL INSTITUTION:

Financial Institution shall:

- (a) Purchase a CLP, through an authorized insurer secured by Censtat and maintain such CLP in effect, during the term of this Agreement, in an amount no greater than the liability the Financial Institution incurs under the terms of its Approved Addenda.
- (b) Offer, complete and deliver Approved Addenda to Borrowers and collect Gross DPP Fees, subject to the coverage limits attached hereto as the Coverage Limits Appendix and made a part hereof.
- (c) On a monthly basis submit to CSO (1) copies of all Approved Addenda issued or cancelled; and (2) an accounting of all fees collected or refunded by Financial Institution in the month; and (3) all reporting necessary for CSO to administer Financial Institution's DPP.
- (d) For all Approved Addenda, charge their customers the Gross DPP Fees as stated in the attached Gross DPP Fee Appendix. Any change in fees requires a 30-day written notice to CSO and is effective only when consented to by CSO.
- (e) Provide 1099's for debts cancelled under Approved Addenda, as Financial Institution deems necessary.
- (f) Not change the coverage limits in the Coverage Limits Appendix without prior written notice to and approval of CSO.
- (g) Agree to accept and abide by CSO's adjudication of all claims.
- (h) Forward complaints to CSO immediately and respond with reasonable expediency to CSO in order for CSO to respond to the appropriate entity.
- (i) Not change, alter, vary or waive any of the terms or conditions of any Approved Addendum without 30-days prior written notice to and approval of CSO.
- (j) Be solely responsible for compliance with all applicable state and federal statutes, rules and regulations governing it as a financial institution and governing its loan transactions, including but not limited to Regulation Z, Uniform Consumer Credit Codes, Retail Installment Loan Acts, Motor Vehicle Sales Finance Acts, or similar statutes, rules or regulations. Financial Institution shall obtain and rely upon its own professional, financial or legal advice regarding the applicability of any such statutes, rules or regulations. Any information or materials provided by CSO or Censtat relating to applicable statutes, rules or regulations is provided only to convey general information and is not being provided nor may it be construed by Financial Institution to be, legal advice or legal opinions to be relied upon by Financial Institution.
- (k) Make and be solely responsible for all decisions regarding the types of coverages, limitations and exclusions, underwriting and age limitations for the Financial Institution's DPP as well as all of the terms and formatting of the addenda forms.
- (l) Be responsible for all costs related to the set-up of its DPP forms, rates and procedures within its own system or with its systems' providers.
- (m) Be responsible for monitoring all coverage limits of Approved Addenda associated with open-end equity lines of credit.
- (n) Be responsible to administer and track all loan extensions, if any are done, and to notify CSO when they occur.

8. INDEMNIFICATION: Each party and its affiliates, employees, officers and agents to this Agreement shall indemnify and hold harmless the other parties, its affiliates, employees, officers and agents from all expenses, costs, damages or liability that result from or arise in connection with willful misconduct or unauthorized acts of the other party or its employees, officers or agents.

9. PROTECTION OF CONSUMER INFORMATION:

- (a) Use of NPI. CSO and Censtat shall use NPI solely in providing services within the scope of their contractual obligations to Financial Institution and shall not use any such information for their own purposes except as expressly authorized in this Agreement or as Financial Institution may later authorize in writing after the date of this Agreement.
- (b) Securing NPI; Prohibition on Sharing.
 - (1) Except as permitted in this section, neither CSO nor Censtat shall disclose, directly or indirectly, to others any NPI. CSO or Censtat may permit its employees and officers to have access to NPI only on a need-to-know basis to permit CSO or Censtat to perform its contractual obligations to Financial Institution. CSO and Censtat shall use appropriate safeguards to prevent unauthorized uses or disclosures and to assure the confidentiality of NPI, including without limitation, informing such employees or officers of CSO and Censtat's obligation to maintain the strict confidentiality of the information as required under this Agreement.
 - (2) CSO or Censtat may disclose NPI:
 - (i) To the extent a consumer has requested that CSO or Censtat utilize their NPI for purposes of providing other services;
 - (ii) As reasonably necessary to its auditors, accountants, and counsel, who are under an obligation to maintain the confidentiality of NPI;
 - (iii) To respond to government regulatory authorities having jurisdiction over CSO or Censtat for examination, compliance, or other purposes as authorized or required by law; and

(iv) To comply with a properly authorized civil, criminal or regulatory investigation or subpoena or summons issued by a Federal, state, or local authority, and respond to judicial process. However, any such disclosure may be made only after giving Financial Institution prior notice of the potential disclosure and a reasonable opportunity to intervene to apply for such legal protection as may be available with respect to the confidentiality of Financial Institution NPI. If a protective order or other remedy is not obtained, or Financial Institution waives compliance with the provisions of this Subsection, CSO and Censtat agree to disclose only that portion of Financial Institution's NPI that CSO or Censtat is advised by written opinion of counsel is legally required.

- (c) Reporting of Unauthorized Use or Disclosure. Both CSO and Censtat shall report to Financial Institution any unauthorized use or disclosure of Financial Institution NPI.
- (d) Indemnification. Both CSO and Censtat agree to indemnify and hold Financial Institution, its directors, officers, and employees, Financial Institution's direct and indirect subsidiaries and their directors, officers and employees, harmless from any damages, loss, cost or liability (including court costs and reasonable attorneys' fees and the cost of enforcing this indemnity provision) arising out of or resulting from the unauthorized use or disclosure, by or through CSO or Censtat, of Financial Institution's NPI.
- (e) The provisions of this Article shall continue after the termination of this Agreement and for as long as CSO and/or Censtat have possession or access to NPI.

10. RIGHT OF INSPECTION: Each party shall have the right at their own expense and during normal business hours to inspect, copy and audit all the books and records related to transactions hereunder at any office of any other party.

11. RECEIPT OF FUNDS: Any funds received by CSO as administrator under this Agreement shall be received in a fiduciary capacity until distributed or allocated under the terms of this Agreement. CSO shall be responsible for the accounting of all such funds

12. STATEMENTS AND PAYMENTS: Unless otherwise agreed to by CSO, Financial Institution shall remit all monies due upon submission of Approved Addenda issued. CSO shall provide a statement to Financial Institution monthly, as necessary, with an accounting of all transactions on Approved Addenda reported to CSO during the prior month and payments received, if any. If such statement shows a positive balance due, Financial Institution shall pay the balance due to CSO. If such statement shows a negative balance due, CSO shall, within 10 days of receipt of any corresponding balance due from the CLP insurer, pay the balance due to Financial Institution. Monthly, CSO shall report Approved Addenda information and remit related premiums to the CLP insurer as required by the insurer. The obligations of this Article shall survive termination of this Agreement for Approved Addenda issued prior to the date of termination.

13. INDEBTEDNESS: Each party may offset against any funds due and owing by the other party. Said offsets shall be included in any monthly reports set forth in this Agreement. If any party disagrees with an offset taken by the other party, the aggrieved party shall notify the other party in writing of the disagreement, within 60 days of the disputed offset, unless a different time period is mutually agreed upon by the parties.

14. REFUNDS: If any unearned Gross DPP Fees are required to be returned for any reason, Financial Institution shall promptly refund or credit to the Borrower the full refund. It is the responsibility of Financial Institution to refund or credit to the Borrower such refunds.

Refunds or credits of less than the Financial Institution's minimum refund amount will not be paid. The right of reimbursement of Financial Institution shall survive the termination of this Agreement and shall be in effect until such time as no further refunds are due on Approved Addenda administered hereunder. It is the responsibility of Financial Institution to notify CSO in writing of any refunds made and reimbursement due Financial Institution.

15. INDEPENDENT CONTRACTOR: The relationship between the parties to this Agreement is that of independent contractor and not employer-employee, master-servant or principal-agent.

16. ASSIGNMENT: Neither party may assign its rights under this Agreement without prior written consent of the other party. The other party shall not be bound in any way by any assignment in violation of this provision.

17. TERMINATION: Either party may terminate this Agreement at any time, for any reason or for no reason, upon 30 days written notice to the other parties. Either party may terminate this Agreement immediately upon the occurrence of any of the following:

- (a) The other party misappropriates funds.

- (b) The other party files for reorganization, makes any assignment of its property for the benefit of creditors, consents to the appointment of any receiver or trustee, or becomes insolvent.
- (c) The breach of any provision of this Agreement by the other party including, but not limited to the failure to remit any monies due as required by the terms of this Agreement.
- (d) Termination of all liability under the CLP.

18. ARBITRATION: All disputes between the parties with respect to this Agreement shall be resolved in the manner provided below:

- (a) If a dispute arises out of or relating in any manner to the subject matter of this Agreement, the dispute shall first be referred to a senior officer of each party for resolution. If they cannot resolve the dispute, the parties agree to next try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Rules before resorting to arbitration.
- (b) If a dispute arises out of or relating in any manner to the subject matter of this Agreement, or breach thereof, and if the dispute cannot be settled through negotiation or mediation, the dispute shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules.
- (c) Any dispute handled pursuant to this provision shall be heard by one mediator, or three arbitrators, as the case may be, who must be an active or retired member(s) of a state bar with expertise in the process of deciding disputes and interpreting contracts in the law of insurance and/or banking. Within 30 days after the commencement of arbitration, each party shall select one person to act as its arbitrator who will serve in a non-neutral capacity. The two party appointed arbitrators shall select a third neutral arbitrator within 30 days of their appointment. If the party arbitrators are unable to or fail to agree upon the third arbitrator, the third arbitrator shall be selected by the American Arbitration Association.

Judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof.

19. COMMUNICATIONS: All parties approve of and agree to accept information, data and other relevant materials regarding the matters under the terms of this Agreement via direct mailings, use of electronic mediums (facsimile, email), and other commercially acceptable means of communication.

20. ENTIRE CONTRACT: This Agreement, its Appendices and any endorsements or amendments, contains the entire Agreement between the parties, and may not be modified except in writing signed by an authorized officer of each party. This Agreement supersedes any prior agreement(s) or understandings between the parties that cover the marketing and administration of Approved Addenda. No oral promises or representations shall be binding.

This Agreement shall be governed by and construed in accordance with the laws of the State of Nebraska. If any provision is held void, inoperative or unlawful, the remainder of the contract shall continue in full force and effect.

IN WITNESS WHEREOF, each of the parties hereto acting by and through their duly authorized corporate officers have affixed their signatures on the day and date below written.

Censtat Services, Inc.

Central States Health & Life Co. of Omaha

By: _____

By: _____

Name: Jeffrey J. Wanning

Name: T. Edward Kizer

Title: Vice President

Title: President

Date: _____

Date: _____

By: _____

Date: _____

Name: _____

Title: _____