



Collateral Protection Auto Program



You need to protect your vehicle collateral. But how you do it impacts your administrative workload and risk to your credit union.



With 1 in 8 uninsured drivers in the US, there's a high probability of having **uninsured borrowers** of collateral.¹



The auto **loan delinquency** rate continued to rise in 2020 to 1.57%, an increase of 10% over the last three years.²

To help you **manage your workload and minimize these risks**, CUNA Mutual Group's **Collateral Protection Auto Program** offers you solutions tailored to your credit union. You have your choice of policy options that can be chosen and mixed in ways that best fit your credit union.

REDUCE YOUR COLLATERAL PROTECTION WORKLOAD



If you find that the administration involved in managing a collateral protection can be overwhelming for your staff, you can opt for the **blanket** program. The blanket program eliminates the entire process for identifying uninsured borrowers. The **blanket vendor's single interest (VSI)** offers a similar benefit but requires a monthly report from your credit union.

MANAGE THE RISK OF UNINSURED BORROWERS

The **blanket** program eliminates the risk of uninsured borrowers by automatically covering all vehicle collateral loans for a \$5 average annual premium per loan, paid by the credit union.

With the **blanket VSI** program, all collateral loans are covered for a \$25 average annual premium per member, also paid by credit union.

The **immediate issue** option limits the exposure of uninsured collateral by providing that coverage upon the credit union's request.



REDUCE MEMBER DELINQUENCY AND CREDIT UNION CHARGE-OFFS

An unexpected spike in loan payments can lead to a member delinquency, which could result in a credit union charge off. Our **blanket** program covers all vehicle loans with premiums paid by the credit union, reducing the risk of member delinquency from an increased loan payment.



ELIMINATE MEMBER NOISE

When a member receives an increase in their loan payment this can often generate a responding complaint that your team has to manage. Our **blanket** program eliminates the need for force-placed insurance and these notices, along with the negative member reaction.



EASE YOUR REGULATORY CONCERNS

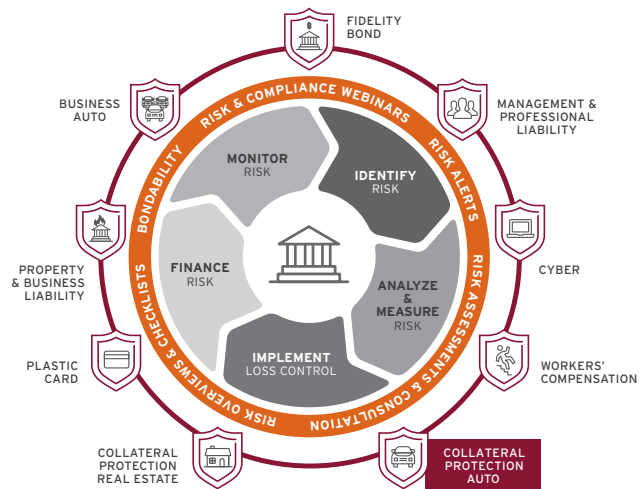
When you choose the **blanket** program, there's no force-placed insurance needed. This eases your concerns about the anticipated increase in regulatory scrutiny.



PAY ONLY FOR WHAT YOU NEED

In addition to reducing your administrative burden and collateral protection risk, we'll work with you to determine the right limit based on your outstanding loan balance, and the best deductible based on your risk tolerance. We make sure you only pay for the coverage that best fits what you need.

Risk Management Services support the credit union's risk management with industry insight. Using 40 years of credit union claims data, and having conducted over 4,500 consultations & assessments over the last 2 years, our team can be relied on to help your credit union mitigate risk.



To learn more about how CUNA Mutual Group's Collateral Protection Auto Program can help meet your credit union's needs, contact your CUNA Mutual Group Account Executive at 800.356.2644 or visit <https://www.cunamutual.com/creditunionprotection>.



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¹Facts + statistics: Uninsured motorists. (n.d.). Retrieved May 05, 2021, from [https://www.iii.org/fact-statistic/facts-statistics-uninsured-motorists#:~:text=ln%202019%2C%2012.6%20percent%20of,percent%20in%202018%20and%202019%20TransUnion.\(2021,February18\).Consumercreditactivitycontinues torise frompandemiclows;auto loan subprime performance lags. Retrieved May 05, 2021, from https://www.globenewswire.com/news-release/2021/02/18/2177981/0/en/Consumer-Credit-Activity-Continues-to-Rise-from-Pandemic-Lows-Auto-Loan-Subprime-Performance-Lags.html#:~:text=Q4%2020%20IIR%20Auto%20Loan%20Summary&text=The%20borrower%20level%2060%2Dday,rising%203.5%25%20to%20%241.33%20trillion](https://www.iii.org/fact-statistic/facts-statistics-uninsured-motorists#:~:text=ln%202019%2C%2012.6%20percent%20of,percent%20in%202018%20and%202019%20TransUnion.(2021,February18).Consumercreditactivitycontinues torise frompandemiclows;auto loan subprime performance lags. Retrieved May 05, 2021, from https://www.globenewswire.com/news-release/2021/02/18/2177981/0/en/Consumer-Credit-Activity-Continues-to-Rise-from-Pandemic-Lows-Auto-Loan-Subprime-Performance-Lags.html#:~:text=Q4%2020%20IIR%20Auto%20Loan%20Summary&text=The%20borrower%20level%2060%2Dday,rising%203.5%25%20to%20%241.33%20trillion)

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