

INSURANCE REQUIREMENT LOANLINER ADDENDUM

Date _____

Account _____

I understand that the terms of my loan agreement and/or note require that:

1. I obtain property insurance against loss or damage (subject to a maximum deductible of \$500) on the motor vehicle/mobile home/vessel securing my loan in an amount sufficient to cover your interest in a motor vehicle/motor home/vessel. This coverage is commonly referred to as comprehensive and collision insurance.
2. The insurance policy obtained must contain a loss payable clause endorsement naming you as an additional insured.

I understand that I may obtain the insurance from any agent or company of my choice. I will instruct my insurance agent to send a copy of the insurance policy, including an appropriate loss payable clause endorsement to:

**GREENSBORO HEALTH CARE CREDIT UNION
1200 NORTH ELM STREET
GREENSBORO, NC 27401**

I hereby agree that if I fail to provide you with acceptable evidence of the required insurance coverage at all times during the term of my loan, I will be in default under the terms of my loan agreement and/or note and as a result I will represent a greater risk to you. In this event, you may, at your option purchase insurance for your protection only. I authorize you to add such insurance premiums and finance charges thereon at the interest rate set forth in my loan agreement and/or note, to my loan balance prorated either, at your election, over remaining term of the loan or over the term of the policy. This option may result in an increase in the amount of my periodic payments and/or in the number of periodic payments required. I understand that you will retain a security interest in the vehicle securing my loan until the entire balance, including any premiums and finance charges, is paid.

Because I will represent an increased risk, I understand and agree that any insurance purchased by you following my failure to provide evidence of the required insurance:

1. May contain coverages exceeding the physical damage insurance requirements of my loan agreement and/or note, including, for example, mechanical damage coverage (providing reimbursement for expenses incurred by you after repossession to repair mechanical damage to the vehicle/vessel), repossessed property coverage (providing reimbursement for expenses incurred by you after repossession to repair physical damage to the vehicle/vessel) mechanics lien coverage (allowing reimbursement for mechanics liens satisfied in the event of your repossession of the vehicle/vessel), skip, concealment or secretion, conversion, and embezzlement coverages, (providing payment in the event you are unable to recover the vehicle because it has been confiscated by a governmental authority), uncollectible premium coverage (providing reimbursement for unrecovered insurance premiums paid by you which you fail to recover following repossession and disposition of the vehicle/vessel), repossession coverage (providing reimbursement for expenses incurred in the event of your repossession of the vehicle/vessel, including storage and disposal expenses);
2. May provide a form of limited comprehensive and collision coverage which is primarily designed to protect only your interest in the vehicle/vessel and which will be subject to a \$500.00 deductible and will never exceed the least of (a) the net amount I owe on this loan, (b) the actual cash value of the vehicle at the time of any loss, or (c) the cost of repair or replacement of the vehicle;
3. Will not provide bodily injury or property damage liability coverage and will not fulfill the requirements of any financial responsibility law or any statutory requirement for no-fault coverages.
4. Will be rated according to high risk criteria and your business address rather than my residence: and
5. Will be effective and billed retroactively to the earliest date on which, to your knowledge, I was without the requisite insurance, regardless of when you actually put such insurance in place.

The terms of these supplemental loan agreement provisions are hereby made a part of my loan agreement and/or note, a copy of which is attached hereto, and are binding upon me with the same effect as if they were set forth in such loan agreement and/or note.

Borrower Date

Co-Borrower Date