

042-0220-2
EL PASO CORPORATION
FEDERAL CREDIT UNION
1001 LOUISIANA ST STE EB 131
HOUSTON, TX 77002

SUPPLEMENTAL INSURANCE PROVISIONS

The terms of your loan/lease agreement require that you obtain comprehensive and collision (physical damage) insurance against loss or damage subject to a maximum deductible (indicated above or acceptable to us) on the personal property that is securing your loan or that is the subject of your lease ("collateral") in an amount sufficient to cover the credit union's interest in the collateral (i.e. in a amount equal to your indebtedness to us.) This coverage is commonly referred to as comprehensive and collision insurance. Please instruct your insurance agent to send a copy of the insurance policy, including an appropriate loss payable clause endorsement naming the credit union as the lienholder/loss payee, and, - upon our request, proof of the payment of premiums. You may obtain the insurance from any agent or company of your choice that is authorized to do business in this state or an eligible surplus lines insurer.

WARNING: Unless you provide us with evidence of insurance coverage required by your loan/lease agreement with us, or otherwise fail to meet any of the requirements described in the preceding paragraph, we may purchase insurance on your behalf and at your expense to protect our interest in your collateral. This insurance may, but need not, also protect your interest. If the collateral becomes damaged, the coverage that we purchase may not pay any claim that you make or any claim that is made against you in connection with the collateral. You may later cancel any insurance purchased by us, but only after providing us with the evidence that you have obtained acceptable insurance coverage elsewhere as required by your loan/lease agreement with us. If we purchase insurance for the collateral, you will be responsible for the costs of that insurance, including the insurance premium, interest or lease charges and any other charges we may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The effective date of coverage may be the date your prior coverage lapsed or the date you failed to provide proof of acceptable insurance. **The costs of the insurance, and finance charges thereon, may be added to your total outstanding balance or obligation and the number and/or amount of your periodic payments may be increased to cover such premium charges.** If the cost of the insurance or any other charges imposed in connection with the placement of the insurance are added to your outstanding balance or obligation, the interest rate/lease charge on your underlying loan/lease agreement with us will apply to these added amounts. The costs of the insurance may be considerably more than the cost of insurance you may be able to obtain on your own. See the Security Agreement for additional information.

You understand and agree that in the event of your failure to provide acceptable evidence of required insurance, you will represent an increased risk, and therefore any insurance purchased by the credit union in such event:

1. May, subject to any requirements or restrictions of applicable law contain coverage(s) exceeding the physical damage insurance requirements of your loan/lease agreement, including, for example, conversion coverage.
2. Will provide a form of limited comprehensive and collision coverage which is primarily designed to protect only the credit union's interest in the collateral subject to a deductible. A claim settlement will never exceed the least of (a) the net amount you owe on this loan/lease less than salvage value, (b) the actual cash value of the collateral at the time of loss, or (c) the cost of repair or replacement of the collateral, or (d) the maximum limit of coverage.
3. Will not provide bodily injury liability or property damage liability insurance and will not comply with any financial responsibility law. This policy will principally provide coverage to the lender and provides only limited coverage to the borrower.

4. Will be rated according to high risk criteria and according to the credit union's business address rather than your residence.
5. Will be effective and billed retroactively to the later of (i) the date of your loan/lease agreement and (ii) the earliest date on which, to the credit union's knowledge, you were without the requisite insurance, regardless of when the credit union actually put such insurance in place.

YOU UNDERSTAND THAT THE INSURANCE WHICH THE CREDIT UNION PURCHASES IS WITHOUT BENEFIT TO YOU INDIVIDUALLY BUT IS PRIMARILY FOR THE CREDIT UNION'S PROTECTION.

The credit union will retain a security interest in the collateral until the entire balance, including any premiums and finance charges, is paid. In the event you breach the terms of your loan/lease agreement by failing to provide acceptable evidence of required insurance coverage, any delay by the credit union in taking any action permitted hereunder or under the loan/lease agreement shall not be deemed a waiver of its right to take such action at any future time with respect to such breach or with respect to any future breach you may commit. You hereby authorize the credit union to provide its insurance service center with the necessary information for verification of adequate coverage.

The terms of these Supplement Insurance Provisions are hereby made a part of your loan/lease agreement and are binding upon you with the same effect as if they were set forth in such loan/lease agreement. You acknowledge that you have read and agree to the foregoing.

Borrower's/Lessee's Signature: _____ Date: _____

Co-Borrower's/Co-Lessee's Signature: _____ Date: _____

REQUIRED INSURANCE INFORMATION

NAME OF INSURANCE COMPANY: _____

AGENT'S NAME _____

PHONE NUMBER; _____

POLICY NUMBER: _____
