

Dear Valued Clients,

Please rest assured that BankDirect Capital Finance is following a strategic business plan and we stand committed to ensure the continuity of our business operations while providing unparalleled customer service. Many of our mutual clients have concerns about their ability to meet their financial obligations and manage their essential business functions during these uncertain times. BankDirect is working hard to assist our agent/broker clients and our mutual customers in every possible way. We are all in this together!

**Account Retention and Client Flexibility:**

We provide one of the most robust and proactive cancellation prevention programs in the industry. Each client is informed multiple times about a missed payment through several forms of communication (mail, electronic messaging, phone calls). In addition to a 24/7 online system with dynamic reporting and account information, we also provide individual notifications and weekly reporting of past due accounts and cancellations to our agency/broker partners.

*Clients are provided a minimum grace period of 21 days beyond their payment due dates to make their installment payments. During that grace period we work with our clients to provide additional consideration and flexibility before policies are cancelled (i.e. loan extensions, weekly and bi-monthly payments, partial payments, cancellation holds, late fee waivers).*

**Proactive steps that agents can do to preserve the assets of your insurance client:**

- Request coverage adjustments to reduce premiums
- Ask Carriers for a stop/hold or provide an adjustment to premium earnings schedule
- Ask Carriers to waive their minimum earned amounts
- Ask Carriers to waive accelerated or fully earned policy provisions (which are extremely punitive)
- Ask Carriers to ensure that policies are earned on a pro-rata basis
- Ask for return premium credits (we will work with brokers/clients to apply credit confirmations to outstanding loans)

**Customer Service:**

We have staff strategically located throughout the United States working from every time zone. We are open for business from 7:00 AM – 7:00 PM CST and our system operates 24/7 with real time updates.

BankDirect has an established team for each agency partner which consists of an outside sales contact, business development contact, and portfolio management member that stand ready to help with quotes and/or account inquiries. All team members are available via telephone and e-mail. We also can be contacted through our customer service center email address which is [info@bankdirectcapital.com](mailto:info@bankdirectcapital.com) (please try to include the insureds name and account number if a specific inquiry is made).

**Payment Options:**

Payments made via mail (checks and invoices) continue to be handled through our lock box provider and they are processing payments daily. The insureds are provided with many other payment options which include:

- Payment by phone (\*Credit Card and ACH)
- Payment by website (\*Credit Card and ACH)
- Wire Transfers
- Recurring ACH

*\*paying by credit card can provide clients with some short term financial flexibility*

### **Efficiency of Paperless Booking and Processing:**

BankDirect has developed down payment collection technology that combines with our DocuSign E-Signature feature to execute and book premium finance agreements. This is the easiest, fastest, and most secure way to send, sign, and manage the premium finance origination process.

- Set up with a few clicks
- Get notifications every step of the way
- Sign electronically with ease via e-signature
- Insured is offered the ability to make down payment (along with first installment where necessary) via ACH or Credit Card
- When down payment funds have been verified, BankDirect funds the appropriate parties the gross amount due

### **Governmental Regulatory and Cancellation Information**

BankDirect is continuously monitoring the impact of our regulatory environment regarding any orders pertaining from state and federal regulators, and we are in regular communications with our industry competitors. BankDirect absolutely tries to provide as much flexibility as possible for our mutual clients to stay current with their loan obligations. The challenge with a financed policy is that each day a policy is in force it declines in value, and that policy value has been pledged to us by the insured to collateralize our loan balance. Unlike pledging a hard asset against a loan (house, property, etc.), at the end of the 12-month policy the asset value pledged against the loan is zero.

In the event a client does not make their contractual payment obligation and we can't work through an acceptable solution with them, we are forced to send out our cancellation to the carrier which will ultimately preserve the collateral value of the loan using the original cancellation date.

Many of the State Regulators have issued Emergency orders, Mandates/Moratoriums for insurance companies. In many instances the orders either strongly urge or may prohibit the Insurance Company from cancelling insurance policies for non-payment. In a premium finance transaction, insurance companies receive premiums in full on behalf of the insured by the premium finance company. The insured/borrower on the loan is obligated to make loan payments to the premium finance company and the premium finance company has been granted with the power of attorney (via the executed premium finance agreement by the borrower) to cancel the insurance policies on behalf on the insured if the insured defaults under the provisions of the agreement.

### **How to contact us**

Again, we remain steadfast to helping your business and your clients with their premium finance needs during these extraordinary and critical times. You can continue to generate quotes and/or monitor accounts using our BDSecure Platform at [www.bankdirectcapital.com](http://www.bankdirectcapital.com), and please do not hesitate to contact our dedicated team at 877-226-5456.

If you have any additional questions or concerns, please e-mail us at [info@bankdirectcapital.com](mailto:info@bankdirectcapital.com).