

Welcome to the inaugural edition of e-News! Our goal for this publication is to provide our clients and associates with timely information about product enhancements, discuss important industry issues and to share real life experiences from our business partners that may be helpful to you and your organizations.

As we have all experienced, the last year has witnessed many challenges and opportunities for the Banking industry and the Credit Union movement. One important lesson learned from these turbulent times is the opportunity for Lenders to refocus on traditional consumer lending and increase net yield on their loan portfolio. A great example of how lenders can reenergize their staff and leverage the special relationship that they enjoy with their borrowers is highlighted in the following article about Canton School Employees (CSE) Federal Credit Union. This is a great real life success story and the passion that CSE employees bring to work each day is heartening and contagious.

As a GAP administrator for more than a 1,000 Lenders nationwide, Frost has also experienced some critical challenges during the past year. The entire GAP industry experienced a dramatic increase in claims that began in the summer of 2008 with the rapid spike in gasoline prices and was then followed by the overall economic problems and collapse of GM and Chrysler. While GAP claims have soared for Frost and all GAP program providers during the past year, the positive news is that GAP programs have matured to become a valuable risk management tool and a critical source of fee income for our Lender partners.

For Frost and the independent agents that represent our programs, the challenges of the past year have also created some great opportunities that we are very excited to share with you. First, we are pleased to announce the addition of Jim Tenhundfeld as the new President of Frost. We have had the pleasure to work with Jim for several years in his former position at Great American Insurance and we are truly excited to have Jim bring his knowledge, experience and dedication to the Frost team.

Last, but not least, the challenges of the past year have created an exciting opportunity for Frost to build and strengthen an important relationship with Creditor Resources, Inc. (CRI is an AEGON company). Frost and CRI have worked together since 1972 and we believe that this new partnership will yield many benefits for our clients and their borrowers.

On behalf of the team at Frost and the independent agents that represent our programs we Thank You for the opportunity to be your business partner and we hope you enjoy the first edition of e-News!

Best Wishes,
Phil Markwell, Partner



Frost Welcomes Jim Tenhundfeld

The newest addition to the Frost team is Jim Tenhundfeld. Jim joined Frost as President on August 17th, 2009 and will be working with the Partners of Frost to grow the company by enhancing our business relationships and service to our customer base. Jim brings with him a broad range of insurance knowledge and management experience that will be beneficial as Frost continues its expansion. Most recently, Jim worked at Great American Insurance where his responsibilities included managing the GAP program and other insurance programs offered in conjunction with consumer lending.

"Frost was a key customer for the past 6 years while I was with Great American Insurance. I was always impressed with the high level of service and expertise that they provided to their customers", said Jim. "Frost stood out as a very professional and customer oriented organization that I am very excited to have the opportunity to join. I look forward to being a part of Frost and continuing to build on the strong track record of service and partnership."



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Frost Teams with Creditor Resources, Inc.

Frost Financial Services is pleased to announce the expansion of their partnership with Creditor Resources, Inc (CRI), an AEGON Company. This new partnership will now allow Frost clients to utilize a complete line of Lender protection products available through CRI including GAP, Credit Insurance and Debt Cancellation products.

CRI serves more than 1,000 financial institutions throughout North America and markets products such as credit insurance, mortgage insurance and debt protection products. Through this new partnership, clients can now select to offer GAP products that will be underwritten by Stonebridge Casualty Insurance Company (also an AEGON Company).

"We are excited to announce this expanded partnership as we move forward in times of significant challenge and change in the market," said Tom Kazar, Vice President of CRI Sales. "This partnership reinforces our commitment to the Credit Union and Bank markets as well as our independent agents."

One Stop Access to CARFAX®

You now have direct link access to CARFAX Vehicle History Reports through VisualGAP® at a preferred partner price.



CARFAX is the leading provider of vehicle information with more than 20,000 data sources across the US and Canada including all state DMVs, many police departments, service facilities and collision centers. And now, the complete CARFAX database is at your finger tips with no contracts for your institution or minimum production requirements.

Our price to you will be just \$14.99 per vehicle report. Your institution will have the opportunity to generate additional income by marking up the customer cost up to a maximum of \$29.99. Unless otherwise requested, all accounts have been initially set up to charge \$29.99, providing \$15 fee income to your institution. Many lenders are offering the CARFAX Vehicle History Reports at a reduced retail pricing, such as \$19.99 to help attract direct auto loans activity.

Your CARFAX Vehicle History Reports can be accessed by clicking on the CARFAX button when entering vehicle information on the "Vehicle" tab. You'll simply need the VIN to order the report. Start using CARFAX today and protect your financial institution and your customers from costly mistakes.

To learn more about CARFAX Vehicle History Reports, adjust markup, or for any questions, call us at 888-753-7678.

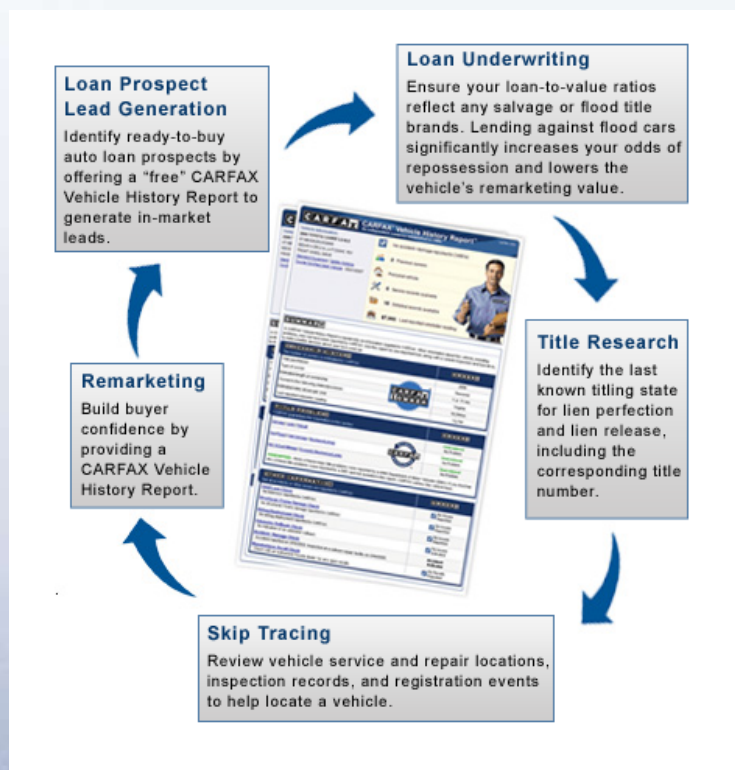


an AEGON company

"I'm excited about working with the CRI/AEGON team," said Phil Markwell, Partner-Frost Financial. "Both CRI and Frost share a strong commitment to delivering the best products and training experiences in the Lender marketplace." Our companies have worked together since 1972 and this new partnership represents a renewal of our commitment to the financial institution market.

We're confident that this enhanced partnership will benefit both your institution and your borrowers.

Creditor Resources, Inc. and Stonebridge Casualty are AEGON companies. CRI is a marketing reference utilized by Frost Financial for GAP products that may be underwritten by Stonebridge Casualty Insurance Company licensed in New York "Home office - Columbus, OH". Product type and availability vary by state.



Credit Union's Sales Culture Begins with GAP Training

With roughly \$102 million in assets and 23,000 members, Canton Schools Employees (CSE) Federal Credit Union, in Canton, Ohio is a remarkable example of the potential positive benefits of building a Sales and Service culture.

"We've been able to develop a true sales oriented culture," said Stan Barnes, CEO, CSE Federal Credit Union. "It is a culture that has helped us to deliver better member service and improve sales of all credit union products."

"Jo Anne Brashen at Frost has been a big part of our success at CSE," stated Jeannie Fye, CSE Assistant Branch Manager and Loan Officer. "Jo Anne helped train our staff, encouraged incentives, and connected us with Rex Johnson from Lending Solutions to help increase our sales."



Stan Barnes, Kathy Tampian, Jeannie Fye, and Tammy Weibel of CSE Federal Credit Union

Frost Financial is much more than insurance sales... they are a true partner to help build the credit union and help members.

- Stan Barnes - CEO, Canton School Employees Federal Credit Union

"CSE went from averaging about one GAP sale per loan officer per month to an average of 10 or more per loan officer per month," said Brashen. "There is an excitement in the air that I never saw before and it continues to this day!"

"Our incentive program pays for itself," said Kathy Tampian, Vice President of Finance, CSE. "The fee income generated by GAP is very good, we're not taking the loss on loans and we're definitely making money on the credit life and disability. We have invested in training our staff and as training increases, so has our income."

"The credit union's current monthly fee income from GAP is roughly \$10,000 or more per month. That's significant," said Brashen.



"However, the most significant change was in their credit insurance program. When we took over their program well over 10 years ago, they barely sold \$1,500 in premium per month. Their current monthly premium is \$27,000."

"We really believe in our products," said Fye. "We see a lot of members with negative equity in their vehicles. GAP is not only good for the credit union, but it helps our members get into their next vehicle faster."

"VisualGAP is easy to use," said Tammy Weibel, Loan Officer. "We are able to price the loan with and without GAP, then show the member the graph illustration to help explain it. It's a very, very helpful tool."

"The new Sales and Service culture at CSE has helped improve several key areas at CSE. Staff morale is sky high, members are receiving great service and the overall financial health of the Credit Union has improved even in these difficult times. Our staff is now better trained to serve the needs of our members and we are able to make good loans to people that may have had prior financial problems," said Stan Barnes CEO.

To learn more about how Frost can help you increase sales and fee income, please contact Phil Markwell at 888-753-7678.



TECH TALK

New Quote Tracker Enhances Value of Menu Selling

As a VisualGAP user, you already know the value of menu selling for laying out all of a borrower's loan protection options, including total monthly payments, and leaving the final informed decision up to the borrower to make.

Now menu selling has become even easier with Quote Tracker.

Quote Tracker is an exciting new feature that allows you to save and retrieve quotes at any point during the VisualGAP transaction. The idea is to simplify quoting and selling of loan protection options by:

- Increasing the efficiency of quoting and selling your products such as: GAP, Service Contracts and Credit Insurance
- Eliminating redundant data entry by creating a single transaction to retrieve and modify as many times as needed
- Allowing you to make changes to all of your quoted products at once. Say goodbye to individual editing!
- Providing the ability to start and save at your own pace. You can even complete a transaction before you ever present it to a borrower.

The best part is that you don't have to do anything to start utilizing this new feature. Simply finish and save a VisualGAP transaction and it will be available to retrieve under the "Quote Tracker" tab.

For more information or training on Quote Tracker, call us at 888-753-7678 or register for one of our webinars on "How to use VisualGAP," by clicking on the "Help, Training and News" tab and then clicking "GoToMeeting Schedule."

Home Vehicle Loan GAP Analysis VSC / MBI Vehicle Loan Protect Borrower Selling Menu Forms

Protection Options Menu

Base Loan (without Loan Protection Options):

Amount Financed: \$ 18000.00 e.g. "12345.67"
 Payment Frequency: Monthly
 Number of Payments: 72 e.g. "72"
 Interest Rate: 8.5 % e.g. "6.75"
 Base Payment: \$ 320.01 e.g. "12345.67"

Payment Calculator
 Calculate Payment
 Calculate # Payments
 Calculate Amt Financed
 Round Payment Amounts
 What is this?

Printer Friendly Version
 E-Mail Protection Options
 Exclude Fees
 << BACK
 NEXT >>

Package 1	Package 2	Package 3	Package 4	Individual Coverages
Guaranteed Auto Protection Standard Non-Refundable \$225.00 Helps pay the difference between actual cash value and loan balance if your vehicle is declared a total loss.	Guaranteed Auto Protection Standard Non-Refundable \$225.00 Helps pay the difference between actual cash value and loan balance if your vehicle is declared a total loss.	Guaranteed Auto Protection Standard Non-Refundable \$225.00 Helps pay the difference between actual cash value and loan balance if your vehicle is declared a total loss.	VSC / MBI Tech 4-5 Years up to 100,000 miles \$1,063.94 You won't have to outlay cash for costly repair bills later	Guaranteed Auto Protection Standard Non-Refundable \$225.00 72 0.13 / Day 324.01 74 0.13 / Day 317.30
VSC / MBI Tech 4-5 Years up to 100,000 miles \$1,063.94 You won't have to outlay cash for costly repair bills later	VSC / MBI Tech 4-5 Years up to 100,000 miles \$1,063.94 You won't have to outlay cash for costly repair bills later	Vehicle Loan Protect Refundable Single \$625.00 to \$696.00 Protect your loan against unexpected circumstances.	Vehicle Loan Protect Refundable Single \$625.00 to \$696.00 Protect your loan against unexpected circumstances.	VSC / MBI Tech 4-5 Years up to 100,000 miles \$1,063.94 72 0.63 / Day 338.93 78 0.59 / Day 318.96
Vehicle Loan Protect Refundable Single \$625.00 to \$696.00 Protect your loan against unexpected circumstances.				Vehicle Loan Protect Refundable Single \$625.00 to \$696.00 72 0.37 / Day 331.12 76 0.40 / Day 318.98
72 1.13 / Day 354.04 83 1.06 / Day 319.29	72 0.76 / Day 342.93 79 0.71 / Day 319.66	72 0.50 / Day 335.12 77 0.52 / Day 319.65	72 1.00 / Day 350.04 82 0.95 / Day 318.53	Undecided Decline All