

## CLAUSES AND CONDITIONS FOR THE INSURED

### **United Insurance Finance (UIF)**

**1) RESPONSIBILITY:** UIF's acceptance and payment of this Contract shall be conditioned upon the Insured's acceptance and signature. **2) 30% DOWN PAYMENT MINIMUM REQUIREMENT:** it is required a minimum 30% down payment of the total premium, unless it has been previously authorized by UIF. **3) MINIMUM FINANCE CHARGES:** All the Contracts are subject to a minimum finance charge of \$50.00. **4) PAYMENT IN ADVANCE:** In the event the total of payments is received in advance, the payoff amount will include the earned interest, as presented in the Amortization Table or \$50.00 whichever is greater. **5) ERRORS:** The Insured authorizes UIF and/or the Insurance Company to make, and expressly accepts, corrections of any errors pertaining to mathematical calculations, dates or other information contained in the Contract without invalidating the obligations Contracted therein. **6) COLLATERAL:** In order to guarantee his/her obligation, the Insured irrevocably assigns to UIF all of his/her rights under the related Policy(ies), for any and all sum(s) that may correspond to him/her, payable by the Insurance Company, until the Insured's debt with UIF is fully settled; **7) POWER OF COLLECTION:** The Insured expressly authorizes UIF to receive any sum that may correspond to the Insured for return premiums and to apply said amount to the Insured's debt, authorizing UIF to collect and/or endorse any check, money order or negotiable document issued to the Insured, with the sole purpose of crediting the amount thereof to the balance of the debt owed under this Contract or other Contracts; **8) NON-PAYMENT:** The Insured agrees that if he/she fails to pay any installment and/or penalty or late fee described in this Contract within 25 days after its expiration, it shall be understood that the Insured has waived coverage under the Policies, and he/she hereby irrevocably authorizes UIF to demand total or partial cancellation of the Policies and declare the totality of the amounts owed under this Contract due, liquid and immediately payable. The Insured hereby irrevocably authorizes and demands that the Insurance Company perform said cancellation of the Policies in the manner and at the time required by UIF; and provided that UIF shall, under no circumstance, be liable for damages that may arise from the cancellation, reduction or elimination of coverage under the Policies, or for the failure to cancel the Policies. **9) RELEASE:** The Insured relieves UIF from any liability for the Insurance Company's acceptance or refusal of any Request for Cancellation and/or Reinstatement; **10) REQUEST FOR SUSPENSION OF CANCELLATION AND/OR REINSTATEMENT:** Unless the Insured pays his/her arrears by certified check or cash payment, UIF shall be under no obligation to request the Suspension of Cancellation and/or Reinstatement of the Policies that are part of this Contract. Any breach of this clause by the Insured, gives UIF the right to refuse the payment or wait 10 days to request the Suspension of the Cancellation and/or Reinstatement of the Policy(ies). **11) LEGAL FEES:** The Contract may provide for the payment of attorney's fees when pertaining to an attorney who is not an employee of the holder of said obligation for an action to repossess personal property or to collect the obligation or to collect services by legal action. Such attorney's fees shall not exceed \$50.00 or five percent (5%) of the balance of the debt, whichever is greater. Should there be a stipulation, the charges for attorney's fees shall not exceed the amount of fifty dollars (\$50.00) or five percent (5%) of the installments due and charged, whichever is greater. **12) LEGAL ACTION:** In the event of a claim or legal action under this Contract, the Insured submits to the jurisdiction of the Courts of his/her place of domicile or residence; **13) WAIVER OF RIGHTS:** UIF's non-use of any right under this Contract, or the extension or transfer thereof, shall not imply waiver or novation of same. **14) NULLITY:** Should any clause hereunder be declared null or invalid, the remaining clauses of this Contract shall remain in effect and valid. **15) CANCELLATION:** The cancellation of the policy(ies) does not relieve the debtor of this obligation; he/she shall be bound to pay any balance left after the Insurance Company's unearned premium has been applied or credited. **16) LATE FEES:** The Insured shall be charged 5% of his/her monthly installment for late fees. **17) BAD CHECKS:** The minimum charge for bad checks is \$10.00. The Insured acknowledges and agrees that if UIF receives a money order or check to be applied to the Insured's account and such money order or check is returned by the drawee bank without payment, any request for the reinstatement of the Policy(ies) made by UIF to the Insurance Company shall be annulled immediately, and any notice of cancellation sent by UIF to the Insurance Company prior to receiving said money order or check shall remain in effect, as of the date the notice was sent. **18) INCOMPLETE PAYMENTS:** Payments owed must be paid in full. Any amount or credit shall not substitute the totality of the payment owed. **19) INSOLVENCY AND/OR BANKRUPTCY OF THE INSURANCE COMPANY:** The Insured acknowledges that he/she chose the Insurance Company freely, and he/she acknowledges and agrees that his/her obligation to pay to UIF any and all sums owed hereunder shall continue and remain in effect until such amounts are paid in full, even if the Insurance Company becomes insolvent or is declared in bankruptcy, or placed under receivership or liquidated or, for any other reason or cause, regardless of the nature thereof, refuses or is unable to comply with its obligations under the Policies. **20) CONTRACTS WITH LESS THAN 30% OF DOWN PAYMENT REQUIRED:** In order to process this type of Contract, it is required a personal guaranty for any amount due in the event of a cancellation or past due installments requested by UIF.

### GUARANTEE OF THE INSURANCE COMPANY OR GENERAL AGENT

A. The Insurance Company, represented by the General Agent whose signature appears on this Contract, certifies, guarantees and agrees the following:

1. The Policies described herein have been issued and are in effect as of this date.
2. All the information referring to the Policies described herein is true and correct.
3. None of the Policies are auditable.
4. The amount set forth herein as down payment has been paid in full.
5. UIF's acceptance and payment shall be conditioned upon the acceptance and signature of the Insurance Company or General Agent.
6. Any cancellation of the Policies described in this Contract made at the request of UIF or the Insured shall be subject to a short rate cancellation method.
7. The Insurance Company agrees to pay to UIF, within fifteen (15) days from the date of the request, any credit or debt in favor of the Insured, or if no request is made, within ninety (90) days. The Insurance Company promises not to deduct from such payments any premium amount or premium increase amount not consigned on the back of this Contract.
8. None of the Policies are bonds.
9. Any request for reinstatement issued for a Contract where payment is returned by the drawer bank shall be annulled immediately, and the request for notice of cancellation previously issued to the Insurance Company shall remain in effect.
10. All the Policies described herein are subject to be cancelled by the Insurance Company.
11. The Insurance Agent, the Insurance Agency and the Insurance Company are authorized to subscribed insurance Policies in Puerto Rico and have their respective valid licenses.

B. The amount financed shall be paid within ten (10) days from the date the Contract is received in UIF. The Contract cannot have past due installments and shall be completed in all its parts to be duly processed by UIF.

C. Compulsory Insurance – Compulsory Insurance, pursuant to Law No. 253 of December 27, 1995, cannot be financed. The Insured must present evidence of his/her license, in order to credit the Compulsory Insurance in his/her financing agreement, or pay said amount as part of the down payment to the General Agent. The General Agent cannot deduct from the refund of premiums corresponding to UIF, whether it be due to non-payment or at the Insured's request, any balance that the General Agent may have pending with respect to the Compulsory Insurance.

**Notice to Assignee:** The assignee who receives or acquires this retail installment Contract or a promissory note related to the Contract, shall be subject under the same conditions to any claim or defense that buyer may bring against the seller. The assignee of the Contract shall have the right to file against the seller any claims and defenses that the buyer may bring against the seller of the articles or services.