

NOT ALL COLLATERAL

Protection Programs Are Created Equal

The logo for State National, featuring the letters "SN" in a bold, dark blue font inside a white circle.

What auto lenders should know about protecting their portfolios

Views on collateral protection insurance (CPI) are often skewed by misinformation, or by real pitfalls that can be experienced when choosing a poorly run CPI program. Lower-quality CPI programs can indeed result in errors, negative borrower experiences, customer complaints, and even regulatory challenges.

Why These Potential Issues Are Non-Issues With a Well-Run CPI Program

Well-run is the key, and at State National we've been perfecting CPI for more than 50 years — we are truly the experts. We understand lenders' needs, their expectations for customer and staff experience, and why they benefit from compliant, automated solutions for collateral protection. We've invested in powerful proprietary technology utilizing cutting-edge automation to provide the most accurate, seamless, effortless processes possible.

Our ability to avoid all possible CPI pitfalls is the reason so many finance companies choose us as their CPI partner, and it's how we maintain an overall **client satisfaction rating of 97%** and a **Net Promoter Score of +82**. Here's how we do it:



State National's people, systems, and processes are optimized to update and manage all program information as quickly and thoroughly as possible, and we strive to ensure maximum accuracy through our stringent quality control standards.



With State National's CPI, your borrowers are instructed to send insurance information directly to us, eliminating the possibility of documentation lost in transfer from your offices. Borrowers can submit in multiple ways, including a dedicated P.O. Box, email address, fax upload, and toll-free number to our in-house Contact Center, all with your branding. They can even reply to a chat or a text message with a photo of their policy. They can also upload their information directly via MyLoanInsurance.com, where it is processed in hours, not days, and often in real time.



Our **NUMBER ONE GOAL** is to do all we can do to avoid unnecessary placements. Only after all efforts to obtain proof of insurance have been exhausted will a CPI certificate be placed. If valid insurance does in fact exist, the certificate is promptly removed and all charges are refunded quickly, through automated processes that calculate refunds and automatically apply them to a borrower's account — greatly minimizing complaints and noise.

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Since 1973, State National has offered proven portfolio protection solutions. As the nation's premier portfolio protection specialist, we are the provider of choice for lenders nationwide. To learn more: info@statenational.com

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State National's financial service partners can log in to InsurTrak 24/7 for up-to-the-minute information on borrowers' insurance, claims and reporting statuses, management reporting, and program performance. The lender can view every notice sent and listen to every phone call with complete transparency. We also internally manage and track strict Service Level Agreements in all areas related to insurance tracking, including our Contact Center, Document Processing Center, and Claims Center.



State National is 100% committed to compliance. We have performed an extensive multi-state review of our existing notices as a joint effort of our Compliance, Legal, Policy Services, and Marketing departments. As a result, we added language tested to improve response rates from borrowers, and confirmed that we provide more physical (mailed) notices to borrowers than are deemed mandatory by most states and/or the NAIC Model Act.

While recent, highly publicized events have brought many questions to the marketplace, the **problems that have occurred elsewhere simply don't apply with State National**. Our emphasis on strong, efficient processes, program transparency, and best practices reduce the risk to our clients and encourage insurance compliance from their borrowers.



Under a well-run collateral protection insurance (CPI) program, the cost of coverage is borne only by those who fail to maintain the required coverage, not those who carry insurance as promised — making it a fairer choice for your borrowers.

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