



Accelerant Specialty Insurance Company
(A Stock Company)

STUDENT LOAN INSURANCE COVERAGE FORM

Read the entire policy carefully to determine rights, duties and what is and is not covered. Various provisions in this policy restrict coverage.

Throughout this Coverage Form and this Policy, the words "you" and "your" refer to the **Named Insured** listed in Item 1 of the Declarations. The words "we," "us," "our," and the "Company" refer to the company providing this insurance, as listed in the Declarations.

Terms that are in bold (other than headings) are defined in Section IX. DEFINITIONS below.

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I. INSURING AGREEMENT

- A. In consideration of the payment of the Policy Premium stated in Item 7 of the Declarations, and subject to all of the terms and conditions of this Policy, we will reimburse you for up to 100% of **Eligible Loan Payments** that you have made on **Covered Loans**, provided that:
1. You are a **Qualifying Graduate**; and
 2. You secured **Qualifying Employment** and worked at least an average of 30 hours per week; and
 3. Your **Annualized Quarterly Income** was less than the **Income Limit** stated in Item 8 of the Declarations; and
 4. You have satisfied all the requirements for **Reimbursement** as set forth in Section III. of this Policy, including but not limited to the submission of a **Claim**.
- B. Eligible **Claims** are paid retroactively on a **Quarterly** basis.
- C. Subject to additional provisions set forth in a Continuous Policy Endorsement which may be attached to this policy:
1. This policy only applies to **Covered Loans** you receive for the **Academic Year** listed in Item 4 of the Declarations.
 2. Our obligation to pay any **Claim for Reimbursement** is subject to the limitations of this Policy, including the **Aggregate Policy Limit** stated in Item 6 of the Declarations. The exact amount of **Reimbursement** that you will receive for eligible **Claims** is calculated pursuant to Section IV. of this Policy
 3. Our obligations under this Policy are limited to those set forth in Section I.A. We shall not pay any other amounts or undertake any other obligations. This is not a liability policy. We shall not have any duty to defend you in connection with any notice, demand, **claim**, lawsuit, or other judicial or administrative proceeding of any kind, including, but not limited to, any notices, demands, **claims**, or suits arising out of or otherwise related to obligations or alleged obligations to pay loans or indebtedness of any kind.
 4. We shall not pay more for **Reimbursement** under this Policy than the **Aggregate Policy Limit** stated in Item 6 of the Declarations. Once that limit has been paid, we shall have no further obligations of any kind under this Policy, regardless of the number of academic years this Policy is in effect. New academic years do not create or provide additional limits. Payments of **Reimbursement** under this Policy reduce the **Aggregate Policy Limit** stated in Item 6 in the Declarations regardless of when a **Claim** is made or paid.
 5. Our obligations under this Policy end for a **Covered Loan** once the **Covered Loan** has been satisfied or terminated, regardless of whether the **Covered Loan** has been satisfied or terminated by payments from you, payments from other persons or sources, loan forgiveness of any kind, or by any other manner or any combination thereof.

II. POLICY END DATE AND ATTACHMENT OF CONTINUOUS POLICY ENDORSEMENT

- A. The Policy begins on the first day listed in in Item 3. of the Declarations. Subject to any other provisions regarding cancellation as set forth in this Policy or under applicable law, you and we agree that this Policy may continue beyond the Policy End Date reflected in Item 3 of the Declarations if a Continuous Policy Endorsement is endorsed to the policy on or before the Policy End Date.

B. The Policy can end on the earliest of the following dates:

- a. The date listed in Item 3. of the Declarations, unless a Continuous Policy Endorsement is endorsed to the policy on or before such date;
- b. The date you cancel this Policy;
- c. The date we terminate this Policy under the terms of Section VII.I; or
- d. When all **Covered Loans** have been satisfied or terminated under Section VIII.G. of this Policy

III. CONDITIONS FOR AND DURATION OF REIMBURSEMENT

At the close of any **Quarter**, the **Named Insured** may file a **Claim** as a **Qualifying Graduate** for one or more **Eligible Loan Payments** on a **Covered Loan**, as described below. Eligible **Claims** are paid retroactively on a **Quarterly** basis to reimburse monthly **Eligible Loan Payments** actually made on a **Covered Loan** during that **Quarter**.

Subject to the full terms and conditions of this Policy, you must satisfy each of the following in order to receive **Reimbursement**:

A. Initial Eligibility Time Period Requirement

1. To initially qualify for **Reimbursement**, you must:

- a. Secure **Qualifying Employment**, and do so within the **Initial Eligibility Time Period**; and
- b. Submit a **Claim** for a period containing at least three months of required **Covered Loan** monthly payments within the **Initial Eligibility Time Period** during which you have also satisfied the additional requirements listed in this section by providing the information and documents required for us to determine your eligibility for **Reimbursement**. You may submit this information and these documents in electronic format via our website at account.studentloaninsurance.org or via email at service@studentloaninsurance.org, or in hard copy via U.S. Mail to 1011 Warrenville Rd., Suite 100, Lisle, IL 60532. We will acknowledge receipt of your submission and materials. After that, we will confirm you have satisfied the **Qualifying Employment** requirement within the **Initial Eligibility Time Period**, or advise you that you have failed to do so, or request additional data to allow us to make a determination.

2. However, if any of the following exist, you will not initially qualify for **Reimbursement**:

- a. You will not be eligible for **Reimbursement** for **Eligible Loan Payments** made in a calendar month in a Quarter if, for that calendar month, you worked less than an average of thirty (30) hours per week in **Qualifying Employment**; or
- b. You will not be eligible for **Reimbursement** for **Eligible Loan Payments** made in a Quarter if, in that Quarter, your **Annualized Quarterly Income** is equal to or greater than the **Income Limit**.

3. The **Initial Eligibility Time Period** can be extended, but only by your participation in an **Approved Extension Activity** that begins before the **Initial Eligibility Time Period** expires. If the **Initial Eligibility Time Period** is extended, it will begin to run again upon the end of your participation in an **Approved Extension Activity**.

B. Subsequent Claims and Annual Eligibility Requirement After Meeting Initial Eligibility Requirement

Once you have met the eligibility requirements during the **Initial Eligibility Time Period**, beginning with the following calendar year, you must qualify for at least nine (9) months of the calendar year to receive **Reimbursement** in that calendar year. You must submit a new **Claim** for such reimbursements. The hours worked and **Income Limit** requirements of Section III.A.2.a. and b. apply to all such **Claims**.

C. End of Reimbursement

After initially qualifying for **Reimbursement**, your coverage continues until either of the following occurs, at which point you will no longer be eligible for **Reimbursement**:

- a. Your **Personal Income** during a calendar year exceeds the **Income Limit** of this Policy. If this occurs, you will no longer be eligible for **Reimbursement** beginning with the first **Quarter** that immediately follows this calendar year (and all future **Quarters** thereafter).
- b. At least one year has elapsed since the end of the **Quarter** during which all of your **Covered Loans** become ineligible or repaid entirely. If this occurs, you will no longer be eligible for **Reimbursement** beginning with the first **Quarter** that immediately follows (and all future **Quarters** thereafter).

IV. CALCULATION OF REIMBURSEMENT AMOUNT

If a **Claim** for **Reimbursement** satisfies all of the requirements as set forth in Section III. of this Policy, we will calculate the amount of your **Reimbursement** subject to the full terms and conditions of this Policy:

Reimbursement = (Eligible Loan Payments) x (Borrowing Proration) x (Income Proration) x (Time-Worked Proration)

A. Limits for Covered Loans

Reimbursement will only be paid for **Covered Loans**:

1. issued for any single **Academic Year** within the **Covered Loan Annual Principal Limit** listed in Item 6 of the Declarations; and
2. for Policies that are not cancelled in less than one **Academic Year**.

B. Repayment Options

1. You may have several repayment options available to you for **Covered Loans**. Your **Eligible Loan Payments** will be calculated based on the repayment option that provides the lowest monthly payment for each **Covered Loan**, even if you are not enrolled in that repayment option.

C. Borrowing Proration

1. If annual **Covered Loans** do not exceed the **Covered Loan Annual Principal Limit** in any single **Covered Year**, a **Borrowing Proration** does not apply.
2. If annual **Covered Loans** exceed the **Covered Loan Annual Principal Limit** in one or more **Covered Years**, a **Borrowing Proration** applies and is calculated as follows:

Borrowing Proration = (Sum of Annual Adjusted Covered Loans) / (Total Covered Loan Principal)

where the **Sum of the Annual Adjusted Covered Loans** is defined as the **Total Covered Loan Principal** less the sum of coverages during **Covered Years** for which the amount of **Covered Loans** exceeded the **Covered Loan Annual Principal Limit**.

D. Income Proration for Reimbursement

1. If you are eligible for **Reimbursement** for **Eligible Loan Payments** made in a **Quarter**, and if, in that **Quarter**, your **Annualized Quarterly Income** is equal to or less than the **Income Proration Threshold**, an **Income Proration** will not apply.
2. If you are eligible for **Reimbursement** for **Eligible Loan Payments** made in a **Quarter**, and if, in that **Quarter**, your **Annualized Quarterly Income** is more than the **Income Proration Threshold** but lower than the **Income Limit**, then **Reimbursement** will be calculated on a prorated basis for that **Quarter** (the **Income Proration**). **Reimbursement** will be prorated by calculating the amount of your **Annualized Quarterly Income** over the **Income Proration Threshold** as a percentage of the difference between the **Income Proration Threshold** and the **Income Limit**, with the amount of **Reimbursement** being calculated as 100% minus that percentage.

$$\text{Income Proration} = 1 - \frac{\text{Annualized Quarterly Income} - \text{Income Proration Threshold}}{\text{Income Limit} - \text{Income Proration Threshold}} \times 100\%$$

E. Time-Worked Proration for Reimbursement

1. If you are eligible for **Reimbursement** for **Eligible Loan Payments** made in a **Quarter**, and if, for each calendar month in that **Quarter**, you worked at least an average of forty (40) hours per week in **Qualifying Employment**, a **Time-Worked Proration** will not apply.
2. If you are eligible for **Reimbursement** for **Eligible Loan Payments** made in a calendar month in a **Quarter**, and if, in that calendar month in that **Quarter**, you worked an average of less than forty (40) hours per week but equal to or more than thirty (30) hours per week in **Qualifying Employment**, then **Reimbursement** will be calculated on a prorated basis for that calendar month (the **Time-Worked Proration**). **Reimbursement** will be prorated by dividing your average hours of **Qualifying Employment** in each calendar month by forty (40).

$$\text{Time-Worked Proration} = 1 - \frac{\text{Average Hours of Qualifying Employment}}{40} \times 100\%$$

V. MAKING A CLAIM FOR REIMBURSEMENT

A. Submitting a Claim

1. **Claims** must be submitted to us by sending us the required information and documents, including, without limitation, all documentation referenced in the Claim Documentation Requirements of the Student Loan Claim Form, in electronic format via our website at www.studentloaninsurance.org or via email at service@studentloaninsurance.org or in hard copy via U.S. Mail to 1011 Warrenville Rd., Suite 100, Lisle, IL 60532. The completed Student Loan Reimbursement Claim Form must include or attach all of the documentation required therein.
2. Unless your coverage has ended pursuant to Section 2.B.2. of this policy, **Claims** for **Reimbursement** for any calendar month must be submitted after the end of the **Quarter**, and no later than one year after the end of the **Quarter** for which you are seeking **Reimbursement**. For example, if you are seeking **Reimbursement** for a monthly payment made in April, your request would be due by June 30 of the following calendar year.

B. IRS Documents and Requirements:

In addition to any and all documents and information required to assess a **claim** for **Reimbursement**, including, without limitation, all documentation referenced in the Claim Documentation Requirements of the Student Loan Claim Form, you must provide us with an IRS Form W-9 before we will pay

Reimbursement. At our request, you must also provide us with a copy of your annual federal tax return (including any supporting Schedules, such as W-2 and/or 1099 documents) for each year in which you make an **Eligible Loan Payment** for which you submit a **Claim**; if so requested, you must provide us with a copy of your annual federal tax return no later than April 30th of the following year. We may withhold **Reimbursement** for any **Eligible Loan Payment** if you have filed your federal tax return for the year in which the **Eligible Loan Payment** was made, if you have not provided us with your return. We may withhold **Reimbursement** for any **Eligible Loan Payment** if you failed to file a federal tax return for the year in which the **Eligible Loan Payment** was made.

If we pay a **Claim for Reimbursement**, we may issue you an IRS Form 1099-MISC for such payment, if required.

C. Direction of Payments

We will make payments of **Reimbursement** to you at the address or to the bank account or other payment platform (if approved by us) identified by you in your application for a **claim**. If the **Covered Loan** under which the **Reimbursement** is paid has a co-signor, we will make payment to the co-signor if directed by you in the Student Loan **Reimbursement Claim** Form. If we make payment to a co-signor, we may issue the co-signor an IRS Form 1099-MISC for such payment, if required. We reserve the right to make payments to other persons or organizations if required by law. We are under no obligation to make payments to anyone other than you or an authorized co-signor unless otherwise required by law to do so.

D. Required Documents

When submitting a **Claim for Reimbursement** there may be certain documents required to verify the validity of your **claim**, including, without limitation, all documentation referenced in the Claim Documentation Requirements of the Student Loan Claim Form. These documents may include paystubs, employer certifications of employment, loan payment history, loan disbursement data including information from the National Student Loan Data System (NSLDS) relating to all Title IV disbursements made while attending the **Institution**, and any other documents we deem as requirement to verify your **Claim**.

VI. EXCLUSIONS

Our obligations under this Policy are limited to those set forth in Section I.A. We shall not pay any other amounts or undertake any other obligations. For purposes of additional clarity only, and expressly rejecting any **claim** outside the scope of Section I.A., we further state that we will not pay any **claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving:

- A. Other than **Covered Loans**, any actual or alleged contractual liability or obligation, warranty, guarantee, loan agreement, promissory note, or any other promise or obligation of any kind. This includes, but is not limited to, any loan agreement or promissory note or other related obligation with respect to any loan issued to you or any other person or organization in connection with your attendance at the **Institution**.
- B. Fines, sanctions, penalties, attorney's fees, or punitive or exemplary damages of any kind (including any multiplier of compensatory damages, such as double or treble damages) assessed or claimed against you or any other person or organization.
- C. Willful, wanton, fraudulent, dishonest, criminal, reckless, malicious or oppressive acts or omissions, or conduct which is outrageous, demonstrates conscious indifference to consequences, or evidences intentional, reckless, or careless disregard for the rights of others, whether committed by you or any other person or organization.
- D. Sexual activity or alleged sexual activity, or any acts in furtherance of sexual activity or alleged sexual activity.

- E. Any actual or alleged antitrust violation, unfair competition, discrimination, or any other act or omission which violates any statute, ordinance, or regulation imposing any fine, penalty, or other sanction.
- F. Liability or damages arising out of private loans originated by any entity on the Office of Foreign Assets Control Specially Designated Nationals list, or originated by any entity which we would be prohibited from transacting with by any law, order, or statute.
- G. Fees, costs, expenses, or charges of any kind as a result of enforcement of any law, ordinance, or regulation by any governmental body or regulatory agency.
- H. Forgery or the use of an alias.
- I. Conversion, secretion, misappropriation, or embezzlement by you, a cosigner, or any other person in lawful possession of monies or other proceeds, including, but not limited to, payments made by us to you or any other person or organization.
- J. Bodily injury, sickness or disease (including emotional distress and death) or property damage (whether to tangible or intangible property).
- K. Any actual or alleged concealment or misrepresentation of any material fact or circumstance concerning your Application or any other documentation submitted to us in connection with your Application for this Policy, this Policy, or a **Claim** under this Policy.
- L. Cyber incidents, including, but not limited to: unauthorized access to a computer system, malicious code, or denial of service attack

VII. ADDITIONAL CONDITIONS

In addition to any and all conditions for **Reimbursement** set forth in this Policy, including, without limitation, those set forth in Section III of this Policy, the following conditions apply:

A. **Reimbursement Adjustments (Offset; Reimbursement)**

If at any time, including after the **Aggregate Policy Limit** stated in Item 6 in the Declarations is exhausted, we determine that any payment of **Reimbursement** was made in an amount in excess of the correct amount pursuant to Section IV., we reserve the right to offset any future **Reimbursement** payments by the amount of the excess payment. If there are no future **Reimbursement** payments, or if they do not meet the amount of such an offset, we may issue a notice and demand for **reimbursement** to us of any remaining excess amount.

B. **Other Insurance, Payments, or Forgiveness**

If any other insurance policy or any other sources of loan repayment, assistance or forgiveness for a **Covered Loan** is available to you, regardless of whether you demand or accept such policies or payments, this Policy shall be excess to such other policies or payments, and we will not owe any **Reimbursement** unless and until the full amount of such other policies or payments are applied toward any **Claim** for which they are available. Duplicate payments for the same **Covered Loan** are not permitted and not covered by this policy.

Policy Maintenance Requirement and Premium Payment

Your eligibility to initially qualify for **Reimbursement** pursuant to Section III. and your eligibility to thereafter make a **Claim** is conditioned on your maintenance of this Policy (including timely payment of premium) for each **Academic Year** you are enrolled in the **Institution**, and proof of your **Graduation** from the **Institution**.

As noted in Item 7 of the Declarations, you will be assessed the **Annual Policy Premium** for **Academic Years** for which you borrow **Covered Loans**; you will only pay the full Annual Policy Premium in a covered **Academic Year** if you borrow **Covered Loans** within that **Academic Year**. If you do not borrow a **Covered Loan** during an **Academic Year** your Policy is in effect, you will not be charged premium for that **Academic Year**. If you have paid premium for such an **Academic Year**, you will be eligible to receive a full refund of that paid premium. The most you will be assessed for a single year from your **Policy Start Date** is your **Annual Policy Premium**; you will not be charged additional premium for nonstandard terms for which you are enrolled (e.g. "Summer term").

C. Term Requirements for Covered Loans

1. For **Covered Loans**, the repayment schedule must be at least ten (10) years.

D. Consolidation or Refinancing of Covered Loans

You may consolidate or refinance **Covered Loans**. However:

1. Except as provided in paragraph E.4 below, if you consolidate a **Covered Loan** with a loan(s) that does not qualify as a **Covered Loan(s)**, **Reimbursement** will be prorated based on the **Covered Loan's** principal balance (including capitalized interest) in proportion to the consolidated loan's total principal balance at the time of consolidation.
2. We will not pay any **Claim** under a **Covered Loan** that has been consolidated or refinanced if the resulting consolidated or refinanced loan has a term that ends prior to the original term of the **Covered Loan**.
3. If a **Covered Loan** has been consolidated with any loans to any other person, **Reimbursement** will be prorated based on the **Covered Loan's** principal balance (including capitalized interest) in proportion to the balance of the consolidated loan at the time of consolidation.
4. We will not pay any **Claim** under a **Covered Loan** that has been consolidated with loans or other debts that are not education loans for your bachelor's degree at the **Institution** (including, but not limited to, credit cards, auto loans, and mortgages), even if such other loans or debts were used in whole or in part to pay education-related expenses or expenses incurred during your enrollment at the **Institution**.
5. Any **Covered Loan** that you choose to consolidate or refinance that is a federal loan must be consolidated or refinanced through a Federal Direct Consolidation Loan.

E. Declining to Apply for and Accept Forgiveness

If a loan forgiveness program or offer is available to you that would apply to a **Covered Loan**, but you decline to apply for and accept the benefits of any such program or offer, our obligation to pay **Reimbursement** for any **Claim** shall be reduced by the maximum available such benefit applicable to that **Covered Loan**.

F. Right to Documents, Records, and Other Information

In addition to the documents, records, and other information otherwise required by this Policy, we have the right to request, and you have the obligation to provide, any documents, records, and other information reasonably necessary for us to determine your eligibility for **Reimbursement** under this Policy, either with respect to pending submitted **Claims**, prior payments of **Reimbursement**, or both. Such documents include, without limitation, all documentation referenced in the Claim Documentation Requirements of the Student Loan Claim Form,

G. Assignment

You may not assign this Policy. This prohibition of assignment applies even if a **Covered Loan** is assumed by or in any other way transferred to or undertaken or forgiven by another person or organization.

H. No Other Insureds; No Third-Party Beneficiaries

No person or organization qualifies as a **Named Insured** under this Policy other than you. The option of payments being directed to a co-signor on a **Covered Loan** pursuant to Condition F notwithstanding, no other person or organization is a third-party beneficiary of this Policy, including but not limited to the **Institution**, any co-signors, lender, or any spouse or civil union partner or other family member.

I. Policy Cancellation

1. You may cancel this Policy at any time by sending us notice in electronic format via our website at www.account.studentloaninsurance.org or via email at service@studentloaninsurance.org, or in hard copy via U.S. Mail to 1011 Warrenville Rd., Suite 100, Lisle, IL 60532 at least thirty (30) days prior to the requested cancellation date.
2. If you cancel this Policy, any premium refund will be subject to the conditions in this paragraph. You may cancel this Policy for a full refund if you provide notice to us by the later of: (a) fourteen (14) days after the date of purchase or (b) October 1 of the then-current academic year. If you cancel this Policy *after* the later of: (a) fourteen (14) days after the date of purchase or (b) October 1 of the then-current academic year, you will not receive a refund.
3. We may cancel this Policy for the following reasons by mailing written notice to you at your address listed in the Declarations (or a different address if we are placed on notice of your new address by you) at least sixty (60) days prior to the effective date of cancellation:
 - a. You have failed to pay the premium when due; or
 - b. You have made a material misrepresentation or made a fraudulent representation in connection with procuring this Policy or submitting a **Claim**.
4. Proof of mailing or other delivery of the notice to your address listed in the Declarations (or a different address if we are placed on notice of your new address by you) shall be sufficient proof of notice of cancellation.

J. Representations

As a condition precedent to coverage hereunder, and notwithstanding all other conditions precedent to coverage in this policy, whether explicit or otherwise, you represent and acknowledge that the statements and information contained in the Application or any other documentation submitted to us are true, accurate, and are the basis of this Policy and are incorporated into and constitute a part of this Policy; and shall be deemed material to the acceptance of this risk or hazard assumed by us under this Policy.

In the event the Application or any other documentation submitted to us contains any misrepresentation or omission, we shall have no obligation to pay any **Claim** arising out of, related to, or in any way connected with the misrepresentation or omission in the Application or any other documentation submitted to us.

K. Complete Agreement, Changes in Policy

1. By acceptance of this Policy, you agree that this Policy is the complete statement of the agreement between you and us with respect to the subject matter of this Policy.
2. No waiver or change in the terms of this Policy shall be made except by endorsements to this Policy

issued by us and signed by our duly authorized representative.

SAMPLE

L. **Dispute Resolution, Binding Arbitration, Waiver of Jury Trial, No Class Action**

Any controversy or dispute arising out of or relating to this Policy must be determined on an individual basis by confidential arbitration administered by a single arbitrator of the American Arbitration Association in Chicago, Illinois, in accordance with its Consumer Arbitration Rules, modified as follows: pre-hearing discovery will consist of the exchange of all relevant documents, a maximum of twenty-five written interrogatories propounded by each party, and a maximum of two depositions taken by each party; the hearing will be in-person; the hearing must occur within three months of the arbitration filing date; the hearing cannot exceed a maximum of three business days; neither party may seek or be awarded exemplary or punitive damages, or attorneys' fees. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. A decision agreed by the arbitrator will be binding and waives your right to a trial by jury and your right to participate in any class action suit. No arbitration will be consolidated or joined in any way with any other arbitration or other proceeding.

M. **Savings Provision**

Should any provision of this Policy be found void or otherwise unenforceable by a court or any applicable governing body, all remaining provisions of the Policy shall be enforced as written to the fullest extent permissible under law, and you agree that all such remaining provisions will be interpreted in such a way as to give maximum fidelity to the Policy as originally issued.

VIII. DEFINITIONS

- A. Academic Year** means the 12-month period of time usually equated to 2 semesters or trimesters, 3 quarters, or the period covered by a 4-1-4 calendar system, beginning on the first day of the initial **Term** as defined by the **Institution's** academic calendar (and as set forth in Item 4 of the Declarations), where **Term** shall be defined as the period for which a Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan is intended, and for which **institutional** charges are generally assessed as determined by the **Institution**. **An Academic Year** cannot be formed by combining semesters or trimesters out of sequence.
- B. Aggregate Policy Limit** means the maximum amount payable to you as the result of a **Claim or Claims** under this Policy.
- C. Annualized Quarterly Income** means: (1) your **Personal Income**; (2) actually paid to you in the relevant **Quarter or Quarters**; (3) converted into a daily average for that **Quarter**, and (4) multiplied by the number of days in the calendar year containing the **Quarter** for which assistance is requested.
- D. Approved Extension Activity** means the following events:
1. Your matriculation in graduate school on at least a half-time basis;
 2. You matriculation in a full-time program for a second bachelor's degree; or
 3. For a maximum of three years, you reside full-time outside the United States while you are employed or are working in a volunteer capacity.
- E. Borrowing Proration** means the proration that is applied to the calculation of **Reimbursement** if annual **Covered Loans** exceed the **Covered Loan Annual Principal Limit** in one or more **Covered Years**.
- F. Claim** means your written request to us for **Reimbursement** under this Policy.
- G. Covered Loan** means a loan issued for the cost of attendance at the **Institution** in a program for your bachelor's degree. A **Covered Loan** must be certified by your **Institution's** financial aid office. A **Covered Loan** must be first issued during your enrollment at the **Institution**. **Covered Loans** must be on a minimum ten-year repayment schedule. **Covered Loans** include only the following:

1. Federal Direct Subsidized loans;
2. Federal Direct Unsubsidized loans;
3. Parent PLUS loans;
4. Private student loans from a bank or other student loan lender, except loans made by your **Institution**; and
5. Private educational loans in your parents' or legal guardians' name from a bank or other student loan lender, except loans made by your **Institution**.

Covered Loans do not include any other loans (regardless of type), extensions of credit, or cash advances that are not expressly listed above, including but not limited to:

1. Student loans borrowed for education or programs at a school or facility other than the **Institution**;
2. Credit card debt, including but not limited to cash advances;
3. Loans from family or friends;
4. Loans made by foreign government loan programs; and
5. Loans from your **Institution**.

Covered Loans are subject to the **Covered Loan Annual Principal Limit**.

- H. **Covered Loan Annual Principal Limit** means the maximum amount of loan principal for **Covered Loans** for any **Academic Year**, regardless of the number of **Covered Loans**.
- I. **Covered Year** means any **Academic Year(s)** for which this Policy was in effect.
- J. **Eligible Loan Payment** means a required loan payment" for principal and interest made in repayment for a **Covered Loan** after graduating from the **Institution** in a full-time program for your bachelor's degree. **Eligible Loan Payments** do not include the following:
1. Payments in excess of the minimum amount owed for the **Covered Loan** at the time of payment, including accidental or otherwise unintentional overpayments;
 2. Payments made during a grace or deferment period;
 3. Late charges or other fees or penalties; or
 4. Payments made before entering repayment, including but not limited to interest payments that would otherwise accrue.
- K. **Graduation** means your receipt of a bachelor's degree from the **Institution**; the date on which your **Institution** issues your bachelor's degree is your **Graduation Date**.
- L. **Income Limit** means the amount set forth in Item 8 of the Declarations.
- M. **Income Proration** means that if you are eligible for **Reimbursement for Eligible Loan Payments** made in a **Quarter**, and if, in that **Quarter**, your **Annualized Quarterly Income** is more than the **Income Proration Threshold** but lower than the **Income Limit**, then **Reimbursement** will be calculated on a proportional (prorated) basis for that **Quarter**. Your **Reimbursement** will be prorated by calculating the amount of your **Annualized Quarterly Income** over the **Income Proration Threshold** as a percentage of the difference between the **Income Proration Threshold** and the **Income Limit**, with the amount of **Reimbursement**

being calculated as 100% minus that percentage.

- N. Income Proration Threshold** means the amount of **Annualized Quarterly Income** (as set forth in Item 9. Of the Declarations) below which the **Income Proration** does not apply.
- O. Initial Eligibility Time Period** means the continuous eighteen (18) month period of time beginning on the first day of the first full month immediately following your **Graduation** from the **Institution**.
- P. Institution** means the accredited college or university of higher education identified in Item 5 of the Declarations.
- Q. Named Insured** means the individual **Qualifying Graduate** to whom a **Covered Loan** has been assigned as shown in Item 1. of the Declarations.
- R. Personal Income** means:
1. Total income as defined for federal tax purposes; and
 2. Any other substantial non-taxed or tax-deferred income/benefit such as housing allowances or retirement contributions (excluding any employer-paid health insurance premiums), excluding any **Reimbursement** paid under this Policy.
- S. Policy End Date** means the date specified as such in Item 3 of the Declarations
- T. Policy Start Date** means the date specified as such in Item 3 of the Declarations.
- U. Qualifying Employment** means employment, located in the United States or its territories, of a minimum average of thirty (30) hours per week per calendar year with salary or wages of at least the federal minimum wage. **Qualifying Employment** may include self-employment provided that you submit to us copies of your invoices to clients and documentation of income received indicating that you are being paid by clients an amount of at least equal to the federal minimum wage on an hourly basis and that you are working a minimum average of thirty (30) hours per week. **Qualifying Employment** also includes work as a pastor or clergy.
- Qualifying Employment** does not include:
1. enrollment in academic studies or vocational training;
 2. volunteering in unpaid positions or those earning less than the federal minimum wage, including, but not limited to internships and externships; or
 3. working for persons who are related to you by blood or marriage such as a parent, sibling, child, grandparent, uncle, aunt, or cousin, or working for entities owned in whole or in part by such persons.
- V. Qualifying Graduate** means the **Named Insured** in Item 1. of the Declarations who enrolls and graduates from the **Institution** with a bachelor's degree. To be a **Qualifying Graduate**, you must be: (i) a citizen of the United States of America or, (ii) a permanent resident of the United States of America, or (iii) legally authorized to work full-time in the United States of America at the time of first enrollment at the **Institution**.
- W. Quarter** means, individually, the periods in a calendar year of: (1) January 1 to March 31; (2) April 1 to June 30; (3) July 1 to September 30; and (4) October 1 to December 31.
- X. Reimbursement** means **reimbursement** of all or a portion of an **Eligible Loan Payment**.
- Y. Sum of the Annual Adjusted Covered Loans** is defined as the **Total Covered Loan Principal** less the sum of **Covered Loans** borrowed above the **Covered Loan Annual Principal Limit** during **Covered Years**

for which the amount of **Covered Loans** exceeded the **Covered Loan Annual Principal Limit**.

Z. Time-Worked Proration means that If you are eligible for **Reimbursement for Eligible Loan Payments** made in a calendar month in a **Quarter**, and if, in that calendar month in that **Quarter**, you worked an average of less than forty (40) hours per week but equal to or more than thirty (30) hours per week in **Qualifying Employment**, then **Reimbursement** will be calculated on a prorated basis for that calendar month (the **Time-Worked Proration**). Your **Reimbursement** will be prorated by dividing your average hours of **Qualifying Employment** in each calendar month by forty (40).

AA.Total Covered Loan Principal means the sum of the principal of **Covered Loan(s)**, as of the origination date of the **Covered Loan(s)**

SAMPLE