



MOTION TO ADOPT AN ALTERNATIVE APPROACH FOR PROVIDING LOAN PROTECTION COVERAGE

Whereas, Bye-law 3(a) (iii) of RHAND Credit Union Co-operative Society Limited provides for insurance coverage for loans outstanding in the names of members.

And Whereas, to date RHAND Credit Union has provided this insurance coverage to a ceiling of \$100,000.00 on loans outstanding in the name of individual members.

And Whereas, historically the insurance service provider has been CUNA Caribbean Insurance Society Limited.

And Whereas, the cost of securing this insurance coverage continues to increase on an annual basis, as a result of the growth of the Loans Portfolio and increases in the premium rate charged for the coverage.

And Whereas, this annual cost has resulted in a net cash outflow from RHAND Credit Union of \$2,342,438.49 over the last ten (10) years.

And Whereas, this death/disability benefit for members can be facilitated by RHAND Credit Union assuming full responsibility internally for this member benefit of the debt dying with the debtor.

Be it resolved, that the Board of Directors of RHAND Credit Union Co-operative Society Limited be mandated by this Special General Meeting held this Saturday November 14, 2009, to assume full responsibility internally for this member benefit by converting the Bad Debt Fund on the books of the Society to a Loan Protection Fund.