
Peace of Mind Benefit

The following information is intended to help you understand what the Peace of Mind Benefit is and how you can file a claim. The specific parameters of the Peace of Mind benefit are listed in the Terms and Conditions of the Agreement completed by the Plan Owner which serves as the Certificate of Insurance.

What is the Peace of Mind benefit?

- Peace of Mind is a benefit that is payable to the school upon the death of either the Plan Owner or their legal spouse.
 - Legal spouse is defined by the state the covered person resides in.
 - Peace of Mind is only available in the United States.
- The maximum benefit amount is \$30,000.
- Coverage begins when the agreement is signed by the Plan Owner.
- Coverage ends on the earlier of the date of the last scheduled tuition payment or the last day of classes for the academic term covered by the agreement.



Important

In the event that the customer is not the plan owner or the plan owner's legal spouse, the death of the customer is not covered by the Peace of Mind benefit.

Are there limitations to coverage?

- The Plan Owner must be under age 70 at the time they enroll in Peace of Mind.
- Payments in arrears are not covered.
 - Payments in arrears are past due payments as of the time of death and any prior year balance that may have been added to the agreement.
 - If you add prior year balances to current term agreements, we recommend tracking those balances in a separate institution account.
- Peace of Mind is not available on plans that have only 1 scheduled payment or are scheduled for longer than 12 months.
- The legality of the spouse is determined by the laws of the state the Plan Owner and spouse reside.
- Peace of Mind is specific to a payment plan/agreement. It does not include other billing or amounts owed to the school.
- The amount of benefit payable is further limited to a reasonably declining balance; claims following large balance increases or consistently low payment amounts may be reviewed and subject to potential reductions in line with reasonable anticipated amortization of tuition covered.

Examples of limitations:

- An agreement was placed on hold prior to the plan owner's death and 2 scheduled payments were not collected. Those 2 payments are "in arrears" and would not be covered by Peace of Mind.

-
- An agreement has a monthly payment amount of \$100 with a large payment at the end for \$10,000. This may not meet the "reasonably declining balance" threshold and would be subject to review by the insurance company. The outstanding balance may not be paid or not paid fully.

What is the cost, who pays it and how is it collected?

- The cost is \$22.50 per agreement (\$19.50 in New York). This amount is subject to change.
- The institution determines whether the customer or the institution will pay the fee.
 - When consumer paid and set up on an automatic plan, the fee is collected within 14 days of the agreement finalization.
 - When consumer paid and set up on an invoice plan, the fee is included in the first invoice amount.

Do we have to offer Peace of Mind?

- The institution determines whether the benefit is required, optional or not offered.

How do you file a claim?

1. Notify FACTS of the death. We will place the agreement on hold until the claim is resolved.
2. Send a certified copy of the death certificate to FACTS.
3. FACTS will file the claim with the insurance company.
4. The insurance company will determine eligibility and payout amount.
5. The benefit payment is made to the institution.
6. Upon receipt of the benefit payment, apply a credit to the payment plan to reduce the balance.
 - If the Customer is the plan owner and is deceased, the agreement should be terminated and the customer record changed to inactive.

Information about the Peace of Mind benefit is included in the terms and conditions of the agreement.