



Balboa Insurance GroupSM combines a rich history of technological innovation and superior service to provide industry-leading risk management and loss mitigation solutions to the mortgage and auto finance industries. Our consultative approach, compliance expertise and measurable performance excellence are the foundation of our products and services, which differentiates us from others in the industry.

Part of being an effective business partner is taking the time to understand your business objectives and specific requirements. We provide products and services that mitigate your risk without forcing you into a one-size-fits-all solution. With Balboa, portfolio risk mitigation includes more than just an insurance policy. It includes a best-in-class portfolio tracking system, ongoing support and excellent customer care. As your business partner, we take proactive and innovative steps to help reduce your portfolio risk and give you a competitive edge.



Six principles guide every interaction we have with you and your customers:

- Mitigate your portfolio collateral risk
- Develop innovative solutions with the flexibility to meet your needs
- Help protect the integrity of your brand
- Maintain a strong compliance focus
- Provide data analytics for continuous service improvement
- Treat your customers professionally and respectfully

We unite our people and processes with our long history of advanced technological leadership and innovation to improve your bottom-line performance. Our scalability allows us to work with auto and mortgage companies of all sizes, including the most recognized banks, financial institutions and servicers in the industry.

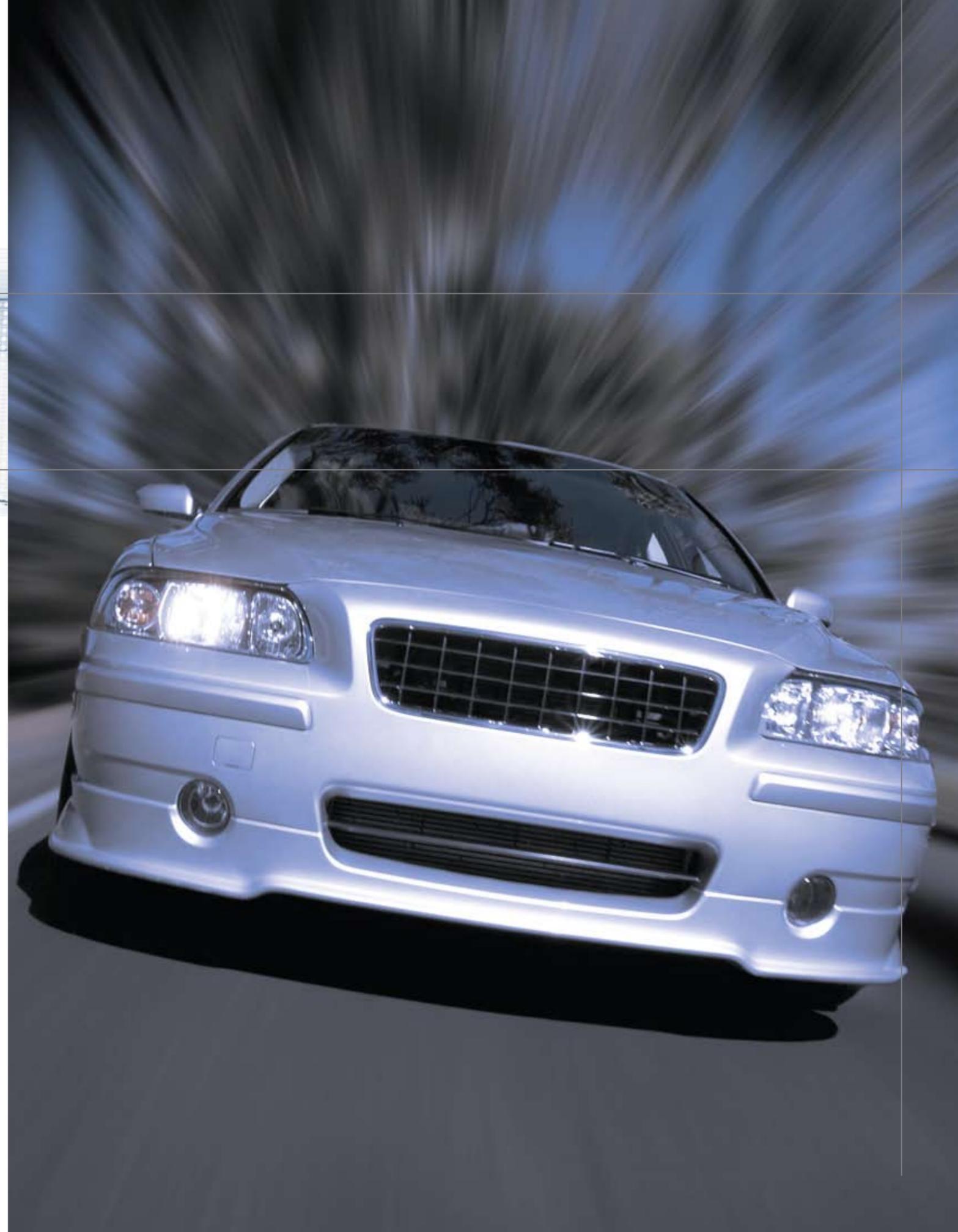


We are a trusted business partner to many top financial institutions. As we ourselves are a member of one of the largest financial institutions in the world, we earn that trust by being subject to strict compliance standards for data security, privacy and business recovery, and by consistently providing our clients what they need, when they need it most.

Balboa Insurance Company was founded in 1948 as a credit insurance underwriter. More than 60 years later, we are one of the leading providers of lender-placed insurance programs, customer care and tracking for both mortgage and auto loan servicing. Our diversified offerings also include personal lines products such as homeowners, renters and term life insurance.

Our Products and Services

- Auto risk mitigation
- Collateral protection insurance
- Condominium insurance
- Dwelling fire insurance
- Homeowners insurance
- Insurance tracking
- Lender-placed hazard
- Mortgage accidental death
- Mortgage catastrophe payment protection
- Mortgage execution – default services
- Renters insurance
- Term life





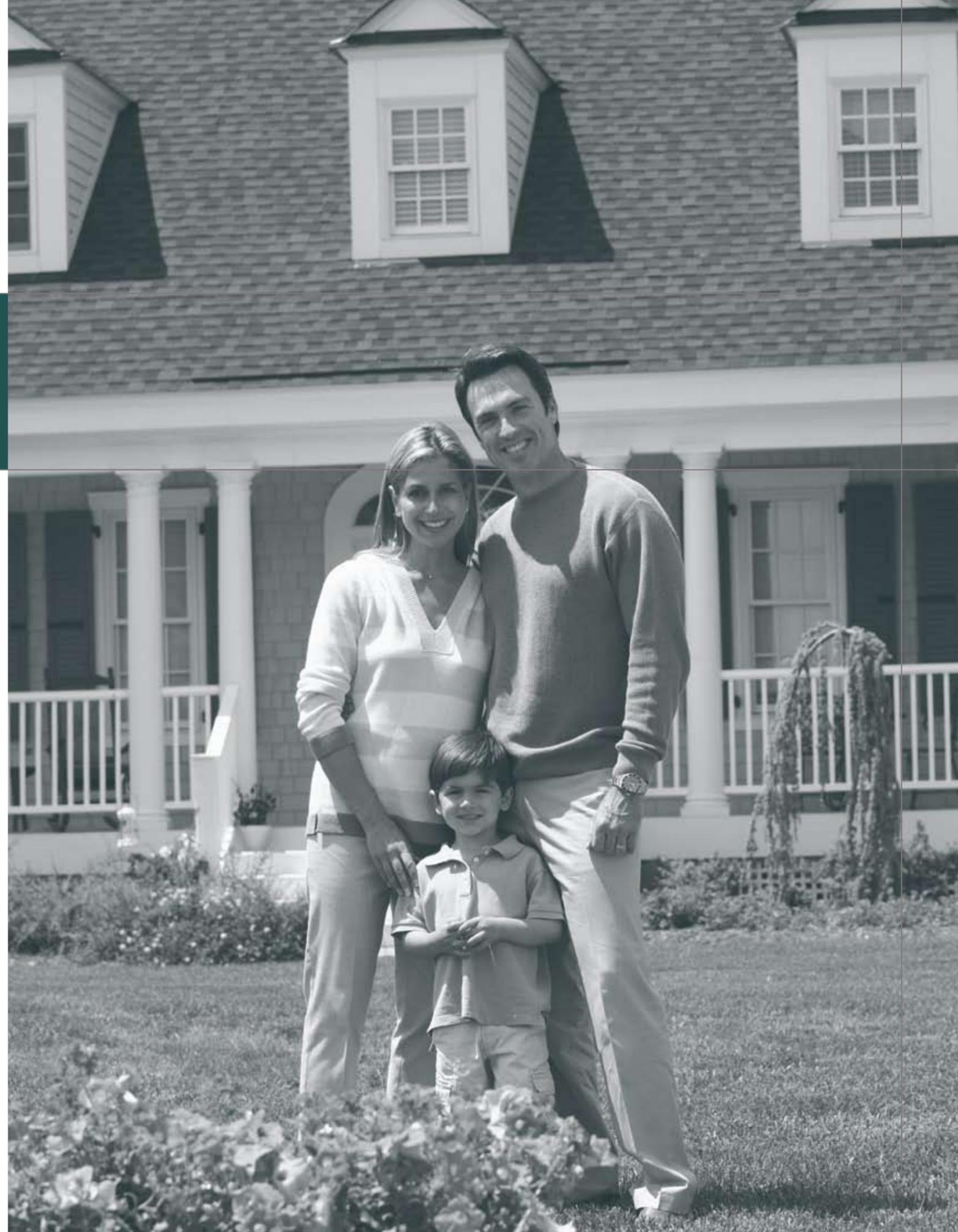
Our leadership position is based on using a scalable, client-centered approach combined with industry-leading technology and superior claims and customer service capabilities. This powerful foundation helps us create risk mitigation products and services that help protect your assets and improve your bottom line.

We process more than 60 million insurance records per year while achieving a quality control rating of more than 99.5 percent on service level standards that are critical to our clients. Our proven expertise helps lenders and servicers understand their exposure and how to manage it. That is why companies across the nation rely on us for their insurance tracking services and the peace of mind we provide. Balboa has the dedicated team and advanced technology needed to:

- Significantly reduce your in-house loss mitigation administrative expenses.
- Monitor and manage insurance data, identifying lender-defined deficiencies.
- Identify collateral that is not meeting insurance requirements.

Compliance Bulletin

As part of our commitment to compliance and to keep you informed, we provide updates on new laws that relate to lender-placed hazard insurance. On a daily basis, our Business Compliance team reviews new insurance law to determine the impact on our auto risk mitigation and lender-placed hazard insurance products and services.





Lender-Placed Hazard: Protecting Your Mortgage Portfolio

Balboa Insurance Group leverages our unique position in the mortgage industry to provide unparalleled risk management and loss mitigation products and services. We unite our innovative technology and experienced team to be a seamless extension of your business.

Balboa is the only insurance company in the lender-placed mortgage industry offering a nationwide Risk-Based Protection insurance product using property characteristics other than just location that is filed and approved in every state.

Our unique risk-based insurance program matches premiums to risk and can reduce lender-placed insurance premiums for a large segment of your portfolio. Leveraging our years of mortgage experience, we are able to proactively assess your needs and create solutions before a situation might become a problem.

We were also one of the first to identify the need for flood gap and wind-deficiency insurance, and we continue to evaluate and implement other innovative products that comprehensively assist mortgage lenders.

A Proactive Approach to Disaster Response

In the wake of a natural disaster, we understand that staying informed is a top priority. Our Catastrophe Manager Web site provides tools that allow you to see the potential impact to your portfolio with regular updates before, during and after major earthquakes, floods, hurricanes, tornadoes and wildfires. In the event of a natural disaster, we quickly deploy claims adjusters and call center representatives to ensure your customers receive prompt attention.

Our Lender-Placed Hazard (LPH) Products and Services

- State-of-the-art insurance tracking
- Lender-placed fire
- Lender-placed flood
- Lender-placed wind/hailstorm
- Blanket fire coverage (2nd trust deeds and equity lines)
- Blanket flood and flood gap coverage
- Blanket flood gap in condominium
- Blanket vandalism and malicious mischief
- REO property and liability coverage
- Loss draft processing services
- Comprehensive call-out services

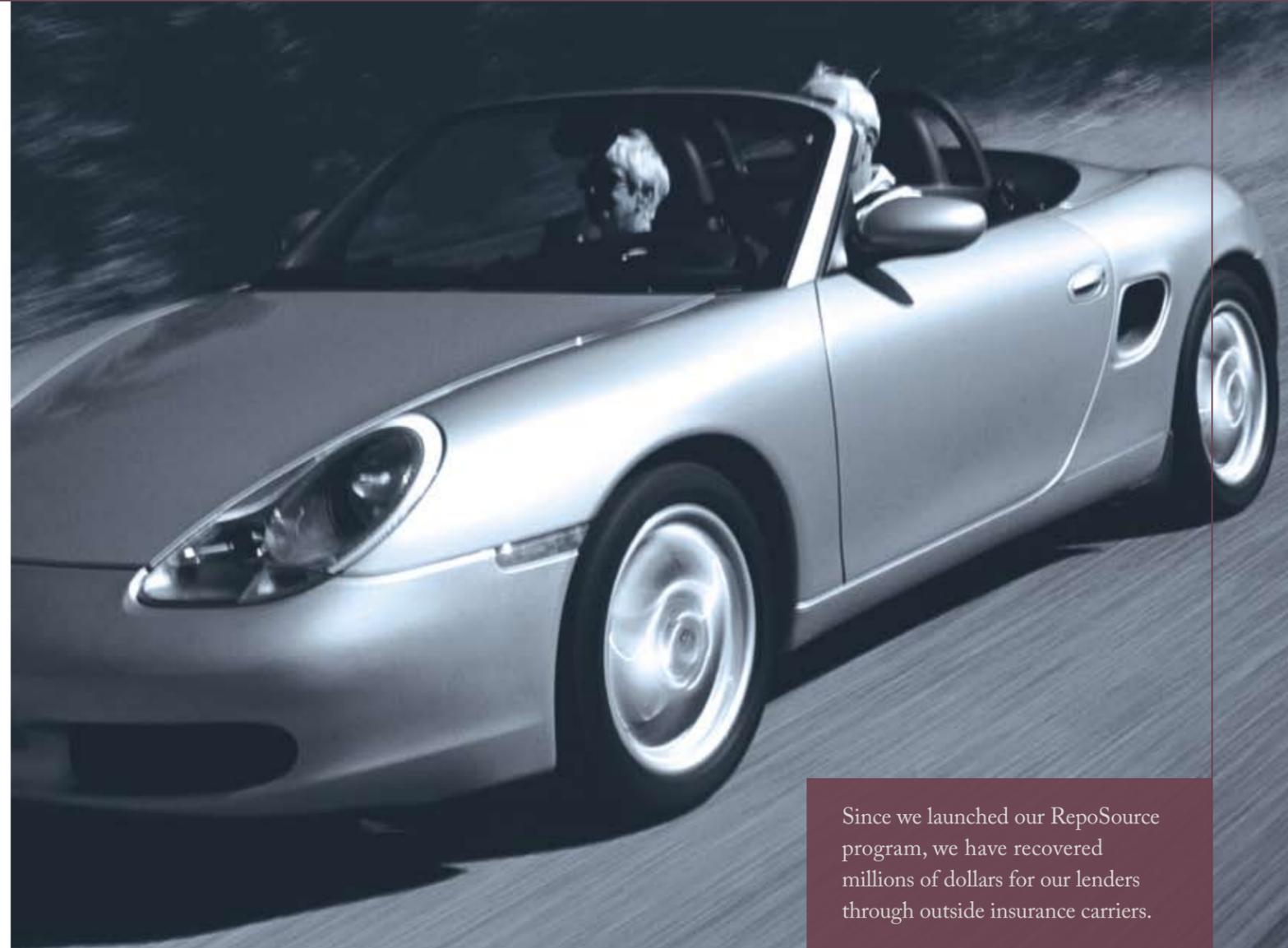


Auto Risk Mitigation: Protecting Your Auto Portfolio

Balboa Insurance Group is the industry leader in auto collateral protection insurance coverage and insurance tracking services. We provide tailored risk management and loss mitigation solutions based on our leading technology, measurable performance excellence and consultative approach.

While other insurers and market participants have exited and attempted to return to the collateral protection insurance (CPI) market over the years, Balboa has remained committed to the needs of auto lenders since 1976 and is the industry leader tracking millions of loans. Our comprehensive auto risk mitigation program includes:

- Advanced insurance tracking systems ensure you know which customers are maintaining insurance as required by their loan agreements. Our tracking services, including correspondence with your customers reminding them of their requirements to maintain insurance, minimize your uninsured accounts. And, you can easily access a complete history of insurance records.
- Collateral protection insurance provides comprehensive and collision coverage in the event that no other insurance is in force at the time of loss. We have kept premium rates low by developing innovative products that reduce the financial impact to your customers, including risk-based rating, which takes into consideration factors such as vehicle type, age and location.
- RepoSource,SM the industry's first fully integrated and comprehensive outside insurance recovery program, helps you collect a significant amount of recoveries from other insurance carriers on your repossessed vehicles. Our highly advanced RepoSource system is integrated directly into our claims system to expedite the filing and collection of lienholder claims.



Since we launched our RepoSource program, we have recovered millions of dollars for our lenders through outside insurance carriers.



Cutting-edge technology is a key element of our risk mitigation programs. Our advanced solutions focus on obtaining the highest levels of efficiency and accuracy by addressing data quality at the source. Balboa makes substantial, ongoing investments in the systems that help us capture, track, measure and analyze data. As a result, our unparalleled technology makes doing business with us simple for you and your customers.

We work hard to provide you with a higher level of analysis to help improve your decision-making capabilities and knowledge of your portfolio. We make sure you have 24/7 online access to your data through our secure client portal, which features a powerful combination of state-of-the-art technologies.

We also provide online tools for your customers on your behalf. As the first lender-placed hazard and collateral protection tracking Web site of its kind, ihaveinsurance.com allows your customers and their agents to easily submit insurance information to our secure Web site. Once the information is received, the loan record is quickly updated.

Our technology platform, TrackSource,SM features some of the most advanced servicing capabilities available in the industry today. Our proprietary data tools in TrackSource use a multifaceted approach to data quality that provides several benefits.

- As an industry leader in the use of electronic data interchange and matching, we have dramatically reduced the amount of physical paperwork, which significantly improves efficiency and accuracy in our matching process.
- Our technology simplifies the insurance workflow process by using superior scanning, data extraction and electronic document distribution to measurably and consistently boost quality.
- Our rules engine systematically matches insurance records while our tracking system, which contains more than 2,000 business rules, automatically processes and updates records without human intervention.
- We use a comprehensive customer care monitoring system to work with you to calibrate expectations and provide statistical reporting on how our performance meets your standards for excellence in customer care.
- Our user-friendly, Web-enabled system interfaces are designed to simplify, expedite and revolutionize the way you do business.

Catastrophe Manager

Our Catastrophe Manager Web site provides 24/7 access to crucial information about the impact of catastrophes on your mortgage portfolio. Catastrophe Manager gives you a detailed view of portfolio data through tables and maps to see which of your loans are at risk from a catastrophe.





At Balboa, we are committed to providing the best claims experience in the lender-placed insurance industry. Not only is it our goal to settle claims promptly upon receipt of all required documentation, our professional claims staff also consistently and thoroughly reviews the quality of our claims processing. And we are committed to protecting your customers' privacy with special access-required work areas, a paperless claims environment and system-controlled data protection.

Along with our experienced team trained to personally assist you, you will also benefit from our advanced technology, which expedites the claims process while providing immediate access to claims status.

Balboa offers:

- Automated activity alerts that notify adjusters and their supervisors throughout the claims process, which helps ensure claim files remain compliant
- Robust notes functionality that includes automated activity tracking and follow-up alerts
- 24/7 direct access to claim file information on claims submitted via our secure online portal
- Comprehensive reporting capability

Claims During Catastrophes

We take pride that our claims team, from management to front-line adjusters, is focused on providing prompt and fair settlements, and a best-in-class customer experience. Both of these objectives are especially crucial when a catastrophe strikes. Balboa makes top-notch customer care a priority, so we expedite processing claims and payments to your customers. Additional steps we take during a natural disaster include:

- Balboa has a first report unit dedicated to taking initial reports, with extended hours and a 24-hour claims emergency hotline to assist customers.
- Claims adjusters and call center representatives are hired for anticipated increased claims volume during the catastrophe season so that there is minimal interruption of our normal noncatastrophe claims operations.
- When a significant catastrophe strikes, Balboa deploys a field team of management-level operations associates to the affected area to document the status of properties in your portfolio, in some cases activating a claim even before a customer makes contact.



We provide more than industry-leading products. Every product Balboa offers is backed by best-in-class service and support. We continually create new ways to provide higher levels of service to our clients, and we take the time to find out what additional services would ease your workload to improve your bottom-line performance.

Our customer service focus is unmatched in the industry. We know that it is vital to give your customers a positive experience, so we offer consistent, measurable support and take great pride in our professionalism when assisting your customers.

Committed to You

Our commitment to innovation is matched by our commitment to customer care. To ensure prompt responses to every customer care call and adhere to your service level agreements, Balboa operates call centers in Tempe, AZ, and Pittsburgh, PA, as one virtual unit. This allows us to automatically reroute calls based on peak volume for maximum efficiency. This is just one example of how our advanced technology supports consistently high levels of customer care to better serve you and your customers.

Our customer care teams are structured based on your needs. You can choose to have one dedicated team or leverage the entire Balboa team to manage your portfolio. Whatever you decide, our people and resources are always available to assist you.

We don't just talk about excellent customer care – we give you a way to verify our performance. One hundred percent of our customer calls are recorded and stored for seven years, plus we give you access to all your calls – a feature no other insurance tracking outsourcer is likely to provide. In fact, you are welcome to log in and listen to any call, anytime.

Dialed In

We not only use our extensive auto dialer capabilities to service your portfolio, we also offer you the ability to leverage our auto dialer for your own programs with the following options:

- We can manage an auto dialer program on your behalf.
- Your own employees can use our “dialer anywhere” feature worldwide to run any program you choose – not just insurance-related campaigns.



Balboa actively recruits passionate individuals who are dedicated to providing the highest quality of service and support in the industry. Everyone who touches your business is motivated to ensure your success and satisfaction with the products and services we provide.

Along with outstanding individuals, Balboa structures our account teams to best serve you. Every account has a strategic account executive, supported by a regional operations account manager and an operational account manager. That means someone on your Balboa team is always available for you.

The professional history of our experienced management team is also a considerable part of our company's strength. It gives us the knowledge and expertise to develop world-class solutions for your business.

With comprehensive management reports and frequent meetings with key staff, we constantly measure our performance against your goals, as well as our own. We also monitor the results and make program adjustments if necessary to ensure we continuously meet or exceed your needs and expectations.

Our Partnership, Your Growth

Let us show you how easy it is to partner with us. We look forward to the opportunity to tell you more about the Balboa difference and to start developing solutions that benefit your business.

To get started, contact your strategic account executive or Balboa Insurance Group at 1.800.570.5251 or visit www.balboainsurance.com.

Our Ratings

Our property and casualty insurance companies (Balboa Insurance Company, Meritplan Insurance Company, Newport E&S Insurance Company and Newport Insurance Company) have earned an A.M. Best Company® "A" rating (Excellent). Our life insurance companies (Balboa Life Insurance Company and Balboa Life Insurance Company of New York) have earned an "A-" rating (Excellent).

These ratings were affirmed by A.M. Best on November 24, 2008. For the latest rating, visit www.ambest.com.

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