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First Volunteer Insurance Agency, Inc.

“An Independent Insurance Agency representing many major insurance companies and managing general agents. The agency is wholly owned by First Volunteer Bank”

Founded 1913

John A. Hewgley, President

John.hewgley@firstvolunteer.com

Offices Located In:

Chattanooga, Tn

Contact: Mr. Bob Hall- Property & Casualty
Ms. Lisa Altizer- Life & Health
423-668-4624

South Pittsburg, Tn

Contact: Ms. Marty Matthews- Personal Lines
Mrs. Stephanie Colvin-Commercial Lines
Mrs. Teena Hewgley- Group Health
Mr. Russ Hood- Life & Health
423-837-7931

McMinnville, Tn

Contact: Boyd Ramsey- All Lines
931-473-2354

Jacksboro, Tn

Contact: Renee Leach- Life & Health
423-562-7443

Jamestown, Tn

Contact: Susy Hedge-Life & Health
931-879-8103

Lawrenceburg, Tn

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See our web site @: www.firstvolunteerinsurance.com

Product and Services Overview

*The agency sells the following **general groups** of insurance:*

- **Property & Casualty Insurance**- this group of policies generally covers the loss of property (homes, businesses, etc.) and/or is liability insurance to protect the insured from 3rd party lawsuits (general liability, personal liability, auto liability, etc.)
- **Life & Health Insurance**- this group of policies generally covers the insured for the unexpected expense of health problems, loss of wages, or in the worst case, death of the insured. This group also includes other forms of insurance such as; Long Term Care, Disability, Dental, Annuities, etc.

*Each of these **general groups** can also be broken down into **two separate classes**:*

Personal Lines & Commercial Lines

- **Personal Lines**- identifies all insurance policies in the above general groups that are sold to individuals or families: homeowners, renters, personal auto, individual health, individual life, boats, etc.
- **Commercial Lines**- identifies all insurance policies in the above general groups that are sold to businesses: commercial packages, work comp, general liability, group health, group life, group disability, etc.

Term Life Insurance

The Product:

Term Life Insurance covers an insured for a specified amount of time, at a specified cost, for a specified amount of coverage. If the insured dies in that period of time and the insured has paid his premium, the insurance company pays a death benefit to the client's beneficiary.

Features:

- Low cost protection in the younger ages because it charges a rate for the risk of a person dying in that age bracket.
- Gets more expensive as you get older.
- Does not usually have any cash value.
- Some policies can be converted to permanent insurance later.
- Can be purchased individually or as a group

Benefits:

- Insured can buy a lot of coverage for a shorter term need.
- Premium affordable

Disadvantages:

- Policy gets really expensive at older ages.
- Group coverage is lost when you retire or quit work
- Premiums are not fixed for long periods anymore on most policies
- Policy has 2 year "contestability clause" if the insured lied about health condition or commits suicide.

Whole Life Insurance

The Product:

Whole Life Insurance covers an insured for until age 100 at a guaranteed cost. If the insured dies before age 100 and the insured paid his premium, the insurance company pays a death benefit to the client's beneficiary.

Features:

- Level premiums over the life of a person.
- Does not get more expensive as you get older.
- Does accumulate cash value.
- Cash accumulation builds up inside the policy without having to pay income taxes.
- Can be purchased individually or as a group

Benefits:

- Insured can buy a coverage that he knows he will need at death.
- Premium affordable over the life of the policy.
- Cash value can be borrowed if needed.
- Any loans against the policy are subtracted from the death benefit.

Disadvantages:

- Policy is more expensive than term.
- Interest rates paid are not as high as UL or Variable Life
- Policy has 2 year "contestability clause" if the insured lied about health condition or commits suicide.

Universal Life Insurance

The Product:

Universal Life Insurance covers an insured for until age 100 at a projected cost based on assumed interest rates. If the insured dies before age 100 and the insured has paid his premium, the insurance company pays a death benefit to the insured's beneficiary. If the Cash Value is more than the face amount the larger amount is paid to the beneficiary.

Features:

- Various premium payment options over the life of a person. (Policy allows premiums to be paid, skipped, increased, reduced, etc.)
- Does not get more expensive as you get older.
- Does accumulate cash value using current interest rates.
- Cash accumulation builds up inside the policy without having to pay income taxes.
- Can be purchased individually or as a group

Benefits:

- Insured can buy a coverage that he knows he will need at death.
- Premium affordable over the life of the policy.
- Cash value can be borrowed if needed.
- Any loans against the policy are subtracted from the death benefit.

Disadvantages:

- Policy is more expensive than term.
- If interest rates decline more premium is needed or policy will crash.
- Interest rates paid are changed every year.
- Mortality and other charges can be changed by company.
- Policy has 2 year "contestability clause" if the insured lied about health condition or commits suicide.

Survivorship Life Insurance

The Product:

Survivorship Life Insurance covers two insureds. It is usually a permanent plan of life insurance at a guaranteed cost. It pays off after the last person dies. The benefit is paid to the beneficiary that is listed on the policy

Features:

- Lower premium because two people have to die to collect.
- Does not get more expensive as you get older.
- Does accumulate cash value.
- Cash accumulation builds up inside the policy without having to pay income taxes.
- Premiums will be driven by the younger/gender based person.

Benefits:

- Insureds can buy a coverage that they know they will need at death.
- Premium affordable over the life of the policy.
- Cash value can be borrowed if needed.
- Any loans against the policy are subtracted from the death benefit.
- A great tool for estate planning to help heirs with cash flow of inheritance.

Disadvantages:

- Policy is more expensive than term.

Health Insurance

The Product:

Health Insurance covers an insured and provides the money to pay medical expenses in the event of injury or disease. **Blue Cross/Blue Shield and United Healthcare** are two of our main providers of this coverage.

Features:

- May be written as and indemnity plan (traditional), Health Maintenance Organization (HMO), Preferred Provider Plan (PPO).
- Can Pay Doctor, Hospital, medicine, durable medical equipment, preventative medicine, diagnostic testing, etc.
- Usually has a deductible or Co-pay with an out of pocket limit.
- Can be purchased individually or as a group

Benefits:

- Insured can buy a coverage that he knows he will need if he gets sick or injured.
- Can cover family members as well.
- Coverage is now transportable without pre-existing restrictions to your next employer.
- COBRA rules now let you keep coverage for up to 18 months or more if your employer has over 20 employees.

Disadvantages:

- Policy is expensive.
- Coverage gets really expensive as you get older.
- Policy may have riders excluding health conditions of insured after underwriting has completed review.

Disability Insurance

The Product:

Disability Insurance covers an insured and protects them from loss of salary income due to accidental injury or disease. The benefit is usually 60% of monthly income and the monthly benefits can be for various periods of time (6 months, 2 years, 5 years, until age 65, etc). Also the insured may choose one of various waiting periods before the benefits start being paid (1st day accident/7th day illness, 30/60/90 days for both, etc.). Unum/Provident is our major provider of this product.

Features:

- Level premiums over the life of a person.
- A longer benefit period raises the rate.
- A longer waiting period before benefits start lowers the rate.
- Various riders: Cost of living, guaranteed insurability, etc.
- Can be purchased individually or as a group

Benefits:

- Insured can buy coverage that he knows he needs now to replace his income.
- Premium affordable over the life of the policy.
- Income is not taxable if premium paid with after tax dollars.

Disadvantages:

- Group policy may not be portable if you leave your job.
- “Definition of Disability” may require you to look at a different type of work or lose your benefit.

Long Term Care Insurance

The Product:

Long Term Care Insurance covers an insured and provides the money to pay medical expenses in the event the insured has to be placed in a nursing home.

Features:

- Daily benefit limit is purchased.
- Can choose to also have the option of in-home care.
- Can choose various time periods that benefit's are paid.
- Can be purchased individually or as a group

Benefits:

- Insured can buy a coverage that he knows he will need if he gets placed in nursing home.
- Can cover family members as well.
- Keeps family from spending all assets of a parent to pay for nursing care.
- Allows option to have in home nursing care instead of having to go to a nursing home facility.

Disadvantages:

- Policy is expensive.
- Coverage gets really expensive as you get older.

Annuities

The Product:

Annuities are policies sold by insurance companies that accumulate cash value and offer various methods of settlement when the customer wants their money.

Features:

- Can be paid by customer in installments over years or a single payment.
- Money accumulates inside the policy tax deferred until the money is taken out by client.
- Insurance company offers client several settlement options when they get ready to take their money: cash, 10 years certain, 10 years certain/with survivorship, Life, etc.
- Insurance departments make insurance companies reserve annuities at \$1 for \$1, which makes them a very safe investment.
- Can be purchased individually or as a group

Benefits:

- Client can save money without paying taxes on interest until he takes it out (not like CD's)
- Client has settlement options that Bank will not offer.
- Very high satisfaction rating for anyone that has ever had an annuity

Disadvantages:

- Tax penalties if you take money out before 59 ½ years of age.
- Not FDIC insured

Homeowners Insurance

The Product:

Homeowners Insurance covers the clients property including his home, contents, out buildings, and increased cost of living due to having to move out of the home while it is being repaired, etc. The policy also provides personal liability to the family for non-automobile liability exposures: slips and falls, dog bites, baseball going into neighbor's window, hunting accidents, etc.

Features:

- Can cover the house and contents for replacement value
- Can cover the increased cost of living due to a loss.
- Usually has a deductible for property but not for liability.
- Is written in several forms with each having different coverage's: HO1, HO2, HO3, HO5, HO6
- Can be written for people that only rent a house (Renters Insurance) to cover their contents and liability.

Benefits:

- Repair or replace your property in the event of a fire, theft or other calamity.
- Personal Liability coverage for the family.
- Protects the lending institution's collateral for the loan.
- Riders can be added for special coverage on other items of value that are not covered or limited by most homeowners policies: jewelry, boats, ATV's, guns, coin collections, golf clubs, camera's, silver ware, etc.

Disadvantages:

- Policies with little or no public fire protection are expensive or unavailable.

Condominium Insurance

The Product:

Condominium Insurance covers the clients property including his improvements to the condo, contents, and increased cost of living due to having to move out of the Condo while it is being repaired, etc. The policy also provides personal liability to the family for non-automobile liability exposures: slips and falls, dog bites, baseball going into neighbor's window, hunting accidents, etc. The policy does not cover the exterior structure or the liability for the common area since that is normally insured on a commercial package by the Condo Association

Features:

- Can cover interior improvements and contents for replacement value
- Can cover the increased cost of living due to a loss.
- Usually has a deductible for property but not for liability.

Benefits:

- Repair or replace your property in the event of a fire, theft or other calamity.
- Personal Liability coverage for the family.
- Protects the lending institution's collateral for the loan.
- Riders can be added for special coverage on other items of value that are not covered or limited by most homeowners policies: jewelry, boats, ATV's, guns, coin collections, golf clubs, camera's, silver ware, etc.

Disadvantages:

- * Policies with little or no public fire protection are expensive or unavailable.

Builders Risk Insurance

The Product:

Builders Risk Insurance covers the client's dwelling/building while it is being built. It is to be started when the foundation is poured and it ends when the policy expires or the structure is occupied whichever ever comes first.

Features:

- Policy rated and issued based on final projected cost of structure minus value of land.
- Covers the structure for replacement value at the time of loss subject to the maximum value stated at the time policy was written.
- Can cover theft of building materials and sub-contractors tools and supplies.
- Has no provision for liability coverage, that must be purchased elsewhere.
- Can be written on single shot (1 year) policy or on a reporting form if client is a contractor with more than 5 structures being built in a year.

Benefits:

- Repair or replace your property in the event of a fire, theft or other calamity.
- Protects the lending institution's collateral for the loan.

Disadvantages:

- Policy has no liability coverage.
- Policy ceases when building occupied.
- Policy does not cover contents only the structure and anything that is to become part of the structure.

Automobile Insurance

The Product:

Automobile Insurance can cover the clients scheduled automobiles for Liability, Uninsured Motorist, Medical Payments, Comprehensive and Collision.

Features:

- Auto Liability protects the client from 3rd party lawsuits in the event he is sued after an accident.
- Uninsured Motorist (UM) protects the client if an uninsured motorist hits her. UM then acts like the other parties insurance carrier.
- Medical Payments pay toward the medical expense that is incurred by anyone in the family or anyone else riding in the car at the time of an accident.
- Comprehensive covers the car for damage by fire, flood, vandalism, theft, collision with animals or falling objects, glass breakage, etc.
- Collision covers the car for damage by “upset or overturn” or “Collision” with another object.

Benefits:

- Repair your automobile in the event of a fire, theft, collision or other calamity.
- Auto Liability coverage for the family.
- Protects the lending institution's collateral for the auto loan.
- Protects the family if hit by uninsured motorist.

Disadvantages:

- If drivers are young or have a lot of activity on their driving record the premium can get very expensive

Commercial Package Insurance

The Product:

Commercial Package Insurance covers the clients property including his building, contents, out buildings, and Loss of Income while things are being repaired, etc. The policy also has Commercial General Liability to protect the business for non-automobile liability exposures: premises liability (slips and falls), product liability, personal injury (Liable, slander, wrongful prosecution), etc.

Features:

- Can cover the Business and contents for replacement value
- Can cover the Loss of Income due to a loss.
- Usually has a deductible for property but not for liability.
- Have a lot of additional coverages: valuable papers, accounts receivables, glass breakage, liquor liability, etc that are included or can be increased or added.

Benefits:

- Repair or replace your business in the event of a fire, theft or other calamity.
- Commercial General Liability for the business.
- Protects the lending institution's collateral for the loan.
- Riders can be added for special coverage on other items of value that are not covered or limited by most packages.

Workers Compensation Insurance

The Product:

Workers Compensation Insurance is a no fault system imposed by the states on employers. The state requires that certain employers carry Work Comp and when they do the employee's are limited to the benefits of work comp if they are injured on the job and cannot sue the employer for any additional benefits. The benefits of the policy are outlined in the State Work Comp law usually under the Department of Labor.

Features:

- Gives automatic benefits to an injured worker.
- Protects the employer from lawsuits by employees.
- Employer sets up medical panel that employees have to use if injured.
- Policy covers disease as well as injury to employee: black lung, Grey lung, AIDS, etc if job related.

Benefits:

- Worker gets 100% medical coverage for injury
- Worker gets partial disability payments while if off from work.
- Worker gets cash settlement for permanent/partial or total disability based on Physician evaluation of injury.
- Employer can insure his exposure to employees being injured or diseased by job site.

Disadvantages:

- Policies develop "Experience Modifications" and employers with bad loss records pay really high premiums.

Fidelity Bonds

The Product:

Fidelity Bonds cover the risk that someone “Will not do something”. For example; “My employees will not steal my money; robbers will not rob my store, etc”. They are mainly crime bonds protecting the business from someone stealing from them

Features:

- Can cover money and merchandise.
- Gives the business owner protection from those who have access to his valuables

Benefits:

- Replace money or valuables that are lost
- Let the bonding company go after the guilty party to get the money back.

Disadvantages:

- Employer must prove what exactly was stolen and who did it.
- Extensive accounting to prove claims.

Surety Bonds

The Product:

Surety Bonds cover the risk that someone “Will do something”. Example: “My contractor will build my house when and for how much he agreed to.” These bonds are financial guarantees that the bonding company will either pay another party to finish the job or pay the money to the person holding the bond to satisfy their claim.

Features:

- Protects the person holding the bond.
- The bonding company does the financial and background check to make sure the person being bonded deserves to be bonded and therefore taking a lot of risk out of the deal for the buyer.

Benefits:

- Provide money to finish a project.
- Let the Bonding Company check out the bidders for you.
- Protect the bank from advancing money on a project that will not get finished.

Disadvantages:

- Person wanting the bond must have track record, financials and working capital or they will have a hard time getting bonded.
- Bonds cost money and add to the cost of the project.

Other Insurance Products Sold by First Volunteer Insurance Agency, Inc.

- **Directors and Officers Liability**
- **Employee Practices Liability**
- **Commercial Auto including Hired and Non-Owned & Long Haul Trucking.**
- **Aviation Insurance**
- **Motorcycle Insurance**
- **All Terrain Vehicle Insurance (ATV)**
- **Boat and Yacht Insurance**
- **Umbrella/Excess Liability (Personal & Commercial)**
- **Ocean Marine Insurance**
- **Inland Marine Insurance**
- **Boiler & Machinery Insurance**
- **Vacant Dwelling/Structure Insurance**
- **Farm owners Insurance**
- **Dwelling Fire Insurance**
- **Supplemental Health (Cancer, Hospital Indemnity, etc.)**
- **Pensions (401K, Profit Sharing, Defined Benefit Plans, Etc.)**

Insurance Companies that are
Represented By
First Volunteer Insurance Agency, Inc.

Property/Casualty Companies:

AIG INSURANCE GROUP
BITUMINOUS INSURANCE COMPANY
CINCINNATI INSURANCE COMPANY
HAULERS INSURANCE COMPANY
MERIDIAN INSURANCE COMPANY
PROGRESSIVE INSURANCE COMPANY
SOUTHERN HERITAGE INSURANCE COMPANY
ST PAUL INSURANCE COMPANY
STATE AUTO INSURANCE COMPANY
TRAVELERS INSURANCE COMPANIES
UNION STANDARD INSURANCE COMPANY
ZURICH INSURANCE COMPANY

Life and Health Companies:

BLUE CROSS BLUE SHIELD INSURANCE COMPANY
CIGNA
DELTA DENTAL INSURANCE COMPANY
FORTIS INSURANCE COMPANY
JOHN DEERE HEALTH CARE INSURANCE COMPANY
LAFAYETTE LIFE INSURANCE COMPANY
OHIO NATIONAL LIFE INSURANCE COMPANY
PACIFIC MUTUAL INSURANCE COMPANY
TRUSTMARK
UNITED HEALTH INSURANCE COMPANY
UNUM/PROVIDENT INSURANCE COMPANY

These companies all have an A.M.Best rating of “A” (Excellent) or better.