THE CASE FOR NON-FILING INSURANCE

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PURPOSE AND INTRODUCTION

My name is Tim Ryles. I am the former Commissioner of Insurance for the State of Georgia, having served as commissioner from January of 1991 to early January, 1995. Georgia's insurance commissioner is also the Industrial Loan Commissioner as well and is the only commissioner with regulatory authority over both insurance and loan companies. My government service also includes seven years as Administrator of Georgia's Governor's Office of Consumer Affairs, a "little FTC" agency. I am grateful for the opportunity to appear before the Consumer Finance Study Committee today and I look forward to addressing your questions.

In my present work as expert witness on insurance matters, including litigation as well as legislative testimony, I have devoted considerable attention to an obscure product known as non-filing insurance or nonrecording insurance as some call it. The purpose of my comments today is to address the principal criticisms of this form of insurance, hereinafter abbreviated as “NFI” below.

DEFINITION OF NFI

NFI protects a creditor if the creditor suffers a loss as a result of the creditor's failure to perfect its interest in collateral by not filing a lien against the collateral with the appropriate government authorities. Filing of security interests in collateral is time consuming, inconvenient, and costly, especially for small lenders. Consequently, small lenders often fail to file their security interests. Because of this failure to file, the lender may experience difficulty in taking possession or otherwise recovering loan proceeds if the borrower fails to pay. In some instances, a third borrower may assert conflicting claims on the collateral.

Thus, failure to file creates an exposure for lenders, or, as some might say, a risk of loss. NFI is designed to cover this risk; indeed, creditors prefer to buy NFI rather than file security interests, as suggested above, because it is less costly, saves time, reduces administrative overhead required to file and release security interests, and it is more convenient for the borrower.

The premium for the insurance is paid by the borrower but the premium can never exceed the government filing fee (the security agreement filing fee) that would otherwise be passed along to the borrower. Premiums range from $5 to $30 and may even vary within the same state. The named insured in the policy is the creditor. Generally, claims for losses may be made according to the least of the actual cash value of the collateral, the outstanding principal balance of the credit, or the policy limits.

The "insured event" in NFI covers damages when the insured is prevented from (1) obtaining possession of the property; (2) the creditor is prevented from obtaining the proceeds from the sale or disposition of the collateral; or (3) for some other reason(s) the creditor is unable to enforce its rights.

SUMMARY OF OPINIONS EXPRESSED

My basic opinions and conclusions, as set forth in more detail below, are that (1) NFI covers real risks and real insurable interests; (2) the stop loss feature of NFI contracts does not invalidate the policies; (3) NFI is real insurance; (4) claims handling procedures do not invalidate insurance contracts; (5) rebates of premium are permissible practices; (6) the relevant federal enforcement agencies have taken no enforcement actions regarding NFI; and (7) that NFI offers considerable benefits to consumers.

THERE IS AN IDENTIFIABLE INSURABLE INTEREST OR RISK TO SUPPORT NFI AS A LEGITIMATE INSURANCE PRODUCT.

Critics contend that there is no risk to transfer as is true in the typical insurance transaction because of the automatically perfected Purchase Money Security Interest accruing to sellers under the Uniform Commercial Code. They further contend that bankruptcy is not a legitimate “risk” qualifying for insurance coverage. This reasoning is fallacious for at least three reasons: (1) the plain language of the Federal Truth In Lending Act (TILA); (2) state statutes which recognize and authorize NFI; and (3) a recognizable and measurable risk of economic loss to the seller/lender that

cannot be erased by either a Purchase Money Security Interest or bankruptcy law.

Truth In Lending.

Under TILA, the following charges are exempt from the finance charges imposed on a buyer:

> (1). Fees and charges prescribed by law which actually are or will be paid to public officials for determining the existence of or for perfecting or releasing or satisfying any security related to the credit transaction.
>
> (2). The premium payable for *any* insurance *in lieu of perfecting any security interest* otherwise required by the creditor in connection with the transaction, if the premium does not exceed the fees and charges described in paragraph (1) which would otherwise be payable (Emphasis mine). See §15 U.S.C. 1605(d)(2).

Thus, the plain language of TILA gives merchants a choice: either file a UCC 1 statement or buy ANY insurance "in its place." The "in its place" language is the plain meaning of "in lieu of."

Neither TILA nor Regulation Z defines "insurance" or "premium." In fact, Regulation Z reaffirms that the creditor may not charge more for NFI than the fees that would otherwise be paid, but addresses circumstances in which the lender/merchant chooses "self insurance" as well. At § 226.5(4)(e)(4) of Staff Commentary, the staff says: "If the creditor collects and simply retains a fee as a sort of 'self-insurance' against non-filing it may not be excluded from the finance charge." Stated differently, this staff commentary suggests that if the fee is paid to an insurer as premium "in lieu of perfecting any security interest," it is permissible and falls within "Amount Financed" figures.

State Law And Regulation.

Whether characterized as property, casualty, inland marine, credit, or miscellaneous insurance, state law recognizes NFI as a legitimate form of insurance. With respect to Georgia, for example, the Georgia Code expressly defines "insurance" at OCGA § 33-1-2 (2) and enumerates the various categories of insurance at § 33-7-1 through § 33-7-15. At § 33-7-3.1(F), Georgia law says:

> "Nonrecording insurance or nonfiling insurance, which is property insurance utilized in connection with credit transactions in lieu of the actual recording, filing, or releasing of a security instrument or financing statement. The premium charge for this insurance may not exceed the actual official fees which would be payable to file, record, or release a security instrument or financing statement. This insurance provides coverage for any loss or potential loss caused by any means whereby the creditor is prevented from obtaining possession of the covered property, enforcing its rights under a security instrument, or obtaining the proceeds to which it is entitled under the agreement. Nothing shall prohibit nonrecording insurance or nonfiling insurance from being incorporated, by endorsement or rider, into a vendor's single interest policy or a similar type of policy."

Georgia law tracks TILA's "in lieu of" language. Furthermore, Georgia law requires that "Forms and rates for all lines or sublines of credit insurance shall be filed separately with the Commissioner" of insurance, thereby assuring distinct accounting for form and rate information.

Other states have similar legislative provisions. Thus, NFI is approved as insurance; the rates applied are approved as insurance rates; NFI forms are approved as insurance forms; NFI premiums are taxed as insurance premiums; when insurers file their Annual Statements they account for NFI as insurance; regulators conducting either market conduct or financial

examinations of insurers treat premium proceeds as insurance; and, to the best of my knowledge, no insurance regulator has ever made a finding that the NFI product fails to satisfy regulatory requirements of any state.

Insurable Interest

The insurable interest doctrine specifies that the insured must lose financially if a loss occurs, or must incur some other kind of harm if the loss takes place (George Rejda, Principles of Risk Management And Insurance, 5th Edition, 1995, p.61). Ownership, potential legal liability, and contractual rights are examples of how an insurable interest in property is created. Additionally, Rejda says that secured creditors have an insurable interest, whereas, unsecured creditors may lack an insurable interest (p.62).

Insurance is a form of protection against *risk*, which is commonly defined as "uncertainty concerning the occurrence of a loss" (Ibid , p.5). Insurance may or may not cover the entirety of one's loss; accordingly, while people often refer to insurance as a way of transferring risk, it is probably more appropriate to regard it as a form of risk sharing.

Losses are caused by *perils* and *hazards* are conditions that create or increase the chances of a loss. These distinctions are important for explaining the way NFI addresses the fundamental objectives of an insurance arrangement.

It is my opinion that despite the automatically perfected Purchase Money Security Interest relied upon by NFI critics, merchants, nevertheless, face risks. Moreover, contrary to critics' assertions, risks do not have to be "significant" (whatever that means) for an insurer to offer coverage. For example, there were no tornadoes in Alaska in 1995, but homeowners insurance covers tornado damage; the likelihood of a hurricane in Idaho is extremely low, but property insureds still pay what is called a CAT (or catastrophe load) in their premiums to cover hurricane losses; only 3 passengers died in train accidents in 1992, but train passengers can buy life insurance anyway. Also, in 1992, according to the Statistical Abstract Of the United States, there were 33 fatalities in large commercial airline travel in the U.S., yielding a probability of death per million miles traveled at 0.0006. However, despite this low probability of death, anyone can buy a million dollars of life insurance coverage from an airport vending machine without

any underwriting questions asked to condition coverage every time they fly commercial planes.

A laundry list of risks that are highly improbable but nevertheless insurable could be developed to demonstrate the sophomoric understanding of insurance reflected in the attacks of NFI critics. In fact, if we were to accept their arguments about risk having to be “significant” to justify insurance and apply this notion to lawyers, one could easily suggest that lawyers should never take a case whose outcome is “virtually certain.” Viewed from a consumer perspective, it is the consumer’s interest in insuring against the improbable and the insurer’s willingness to charge for the low risk which enables insurers to spread policy costs among perils that are unlikely to cause a loss with those which are most likely to do so. The overall effect is reduced premium costs.

NFI protects against real risks, even in cases of bankruptcy. Professor David Epstein, Charles E. Tweedy, Jr., Professor of Law, University of Alabama, identifies the following perils facing retail merchants – perils, including bankruptcy, that NFI covers:

1. The customer does not use the goods primarily for family or household purposes, and that customer later files for bankruptcy;

2. The customer does not use the goods primarily for family or household purposes, and that customer later uses the goods as collateral for a loan;

3. The customer does not use the goods primarily for family or household purposes, and someone later obtains a judgement against the customer;

4. The customer sells or otherwise conveys the goods bought on credit to a neighbor or other customer;

5. The customer trades the goods bought on credit for goods from another retailer, and that customer later files for bankruptcy;

6. The customer attaches the goods bought on credit to his/her house so that it becomes a fixture, and that customer later files for

bankruptcy, loses the house or building through foreclosure, or conveys the house or building; and

7. The customer buys additional goods on credit from the retailer with the new contract consolidating the new goods and the balance remaining on the original goods, and that customer later files for bankruptcy or uses the goods as collateral for a loan, or is subjected to a judgment.

Thus, as Epstein demonstrates, lender/merchants face the risk of loss every time they approve a credit transaction. Purchase Money Security Interests and bankruptcy laws do not offer sufficient protection to discourage a prudent creditor from selecting insurance as the preferred means of managing the risk. This probability of economic loss is sufficient to establish a real risk and an insurable interest.

In addition to these considerations, the presence of an insurable interest may be inferred from situations of a similar nature. For example, the U.S. Supreme Court held in Insurance Company v. Stinson, 103 U.S. 25 (1880), that the holder of a builder's lien has an insurable interest in the property on which he performed work at least in the amount he is due, even though law gives him a right to enforce his lien and be made whole. This situation directly parallels that involving automatic perfection of security interests.

Finally, reference to commonly understood language in the insurance and risk management industry helps affirm the legitimacy of NFI. Rupp's, a standard dictionary source for insurance terminology, defines "chattel mortgage nonfiling insurance" as:

> Insurance coverage that protects banks, credit unions, and other lending institutions against their financial loss due to the inability of the institution to obtain possession of property represented by a chattel mortgage or similar security instrument in the granting of the loan. This coverage also insures against the inability of the lending institution to enforce its rights under the instrument due to the intentional nonfiling of the instrument with the proper public official.

Rupp's further adds that an insurable interest is "Any interest a person has in property that is the subject of insurance, so that damage to the property would cause the insured a financial loss or other tangible deprivation."

THE STOP LOSS FEATURE DOES NOT INVALIDATE THE POLICIES

The stop loss feature of NFI contracts is an especially vexing problem for critics. In one lawsuit involving NFI, two plaintiff experts opine, "None of the insurance companies had any possibility of an exposure that exceeded the premiums paid…." (Widiss, p.20, Stempel, p.22).

This view has not only a fallacious, but also a dangerous underlying assumption; namely, that risk transfer must involve the risk that an insurer will lose money as a direct condition of the bargain. Responsible regulators, who operate under statutes mandating that rates not be inadequate, would not approve a rate filing in which an insurer projected losses. Such an approval would sanction predatory pricing, encourage insurer insolvency, and represent unfair competition for other insurers. Indeed, to a large extent, some critics mistake the nature of the insurer's role in our economy. Insurers are not supposed to *suffer* losses; they are supposed to *pay* for losses. If insurers lose money, regulators take them over.

Moreover, while they are often referred to as risk bearers, insurers are, in the aggregate, not risk takers; they are not gamblers, nor are they speculators. Their role is to share risks, manage risks, and pay insureds for losses incurred within policy limits. In most lines of insurance, paying for losses is called "indemnification," achieved in whole or in part by payment, repair, or replacement.

Literally applied, NFI opponents' views on insurance rule out altogether various forms of mutual insurance. For example, a *perpetual mutual* offers property insurance requiring a large premium deposit. Investment earnings are expected to be sufficient to pay claims for the policyholder. But it is still insurance.

Also, in *factory mutuals*, a very high initial premium is required. At the end of the policy period, a substantial portion of the initial premium, usually

about 65 percent or more, is returned to the policyholder as a dividend. But it is still insurance.

Critics' views would astonish thousands of small business owners who truly – and accurately – believe they have workers compensation insurance through their state's assigned risk workers compensation program. Under these arrangements, a certain number of servicing carriers agree to accept risks (insureds in this context) randomly chosen from a pool of businesses that no insurer wants to insure. In return for their willingness to service the assigned risk plan, however, the insurers extract a promise from all other workers compensation carriers in the state. The promise? If the servicing carriers lose money on the premiums collected from the pool of high risks they insure during any given year, all of the other insurers are assessed a charge based upon market share to make up for the servicing carrier's losses. Similar programs are found in auto and homeowner's insurance. In short, the servicing carrier's money is never at risk, to use the critics' words, and the servicing carriers can never lose money because the state plan approved by regulators won't allow it. But it is still insurance.

To place the stop loss in perspective, this feature of NFI policies functions primarily as a projected loss ratio standard in much the same way as utilized in other forms of insurance. To illustrate, private passenger auto and homeowners insurance typically project a target simple loss ratio of .65; health insurers will usually fall within the .55 to .65 range; some forms of insurance must meet mandated loss ratios, e.g., credit life, Medicare Supplement, or some long term care policies. In life insurance policies, it is not unusual for the entire first year's premium to go toward commission payments. Viewed in this broader context, the NFI stop loss, which is usually around .90, leaves a razor thin margin for taxes, claims handling, administrative overhead, and other expenses. Indeed, perhaps because of the low margin for expense loadings, filings of American Bankers in Georgia have reported losses in excess of 100 percent in some years.

(That NFI insurers are not improperly applying the stop loss concept is also supported by Rupp's, which defines "stop loss" as "Any provision in a policy limiting the maximum claim amount payable."

NONFILING INSURANCE IS REAL INSURANCE

Faced with the insurmountable task of discovering a state definition of insurance that will serve their purpose, some critics attempt to construct a definition by inference from federal judicial opinions. Their “definition” of insurance, therefore, is a definition by example and characteristics drawn principally from litigation involving life and health insurance products. Reliance upon these traditional types of insurance necessarily leads them to insist upon transfer of risk, pooling of risks, and distribution of risks as elements of insurance contracts.

It is interesting to compare these notions with the statutory definition of insurance that is probably most common in the states. Georgia, for example, defines insurance at O.C.G.A. § 33-1-2(2) as “a contract which is an integral part of a plan for distributing individual losses whereby one undertakes to indemnify another or to pay a specified amount or benefits upon determinable contingencies.”

Florida’s definition, found at section 624.02 of the Florida Statutes, is similar: “Insurance is a contract whereby one undertakes to indemnify another or pay or allow a specified amount or a determinable benefit upon determinable contingencies.”

Neither definition mentions either transfer of risk, pooling of risks, distribution of risks or any of the other elements of insurance plaintiffs proffer. In fact, the most common statutory definition of insurance is much closer to that emphasized by the Rhode Island Supreme Court than the federal definition. In Goucher v. John Hancock Life Insurance Company, 113 R.I. 672, 324 A2d 657 (1974), the court held that the basis for an insurance contract is the usual trilogy for contracts: offer, acceptance, consideration.

The key point, however, is that made by academic authorities on the subject, as Rejda says (at p.21 of Rejda), “There is no single definition of insurance.” The following quotes from Robert E. Keeton and Alan I. Widiss, (Insurance Law, Student Edition, West Publishing Co., 1988), offer further examples:

> Although risk transference and risk distribution are among the basic characteristics of almost all insurance transactions, the resolution of a dispute about what constitutes insurance usually is

> predicated on additional factors or considerations (p.4).
>
> There is no single conception of insurance that is universally applicable for use in disputes involving questions of law (p.5).
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> Accordingly, it is important to appreciate (1) that the concept of insurance for purposes of legal analysis is neither fixed nor universal, (2) that a definition of insurance often needs to be formulated for or adapted to the specific circumstances, (3) that a comprehensive understanding of the circumstances in which an issue arises is essential when addressing a definitional question, and (4) that an appreciation of the socio-economic significance of a particular transaction is often critical to determining what will constitute an appropriate definition of insurance. In other words, a complete answer to the question, "What is insurance?" would be, in Learned Hand's phrase, "mythically prolix, and fantastically impractical." (p.5)

Similar positions are found in Robert Jerry, Understanding Insurance Law, 2d ed., 1996, Ch.4 and Emeric Fischer and Peter Nash Swisher, Principles of Insurance Law, 2d Ed., 1994, Ch. 1, affirming that some states may take a narrow view of the meaning of insurance, while others may view the subject broadly.

Georgia illustrates the broad interpretation of what constitutes insurance. For example, lenders are deemed to be engaged in insurance when they agree to cancel a debt upon the death of the borrower even though the borrower pays no premium for the benefit (1967 Opinions of the Attorney General, No. 67-170) and when installment payments are waived upon the borrower's loss of a job (1990 Opinions of the Attorney General, No. 90-28).

Automobile clubs, service contracts, tire repair arrangements, agreements to repair eyeglasses, burial contracts, and offers to pay a prize when golfers score a hole in one are all regulated as insurance products in Georgia.

Another insurance arrangement directly on point for NFI litigation concerns various managed care plans. Typically, under these plans, a provider and an employer agree upon some predetermined fee per employee (capitation) to fund a medical care reimbursement program. Accordingly, the fees for all employees are either paid up front or periodically to the provider in return for services provided. There is no "middle man" either in the form of an insurance producer or insurance company. Under the contract, the medical provider agrees to provide services up to a certain cost level (stop loss), such as total premiums collected or some proportion thereof. There are no reserves, no claims handling, procedures other than verifying that the patient has an employer-employee relationship with the employer (the named insured equivalent in conventional insurance policies).

This practice is considered insurance. Why? When the fee is paid to the health care provider, it is equivalent to a premium (consideration) for risk transfer; when benefits are paid, they are paid out of the pooled capitation fees representing consideration paid for all employees (spreading or pooling of risks). Moreover, from the patient-insured's perspective, this also conforms to the aleatory nature of the insurance contract as opposed to the commutative aspect of other contracts. (Aleatory contracts are those in which the values exchanged are unequal. In the insurance context, this means that people may get back more in benefits than is paid in premiums or they may get back less, even nothing if they file no claims. In commutative contracts, the values exchanged are theoretically equal).

By way of inference, Georgia's approach to regulating insurance completely negates arguments that the way NFI is administered renders it nothing but a bad debt reserve prohibited by TILA and, *ipso facto*, a noninsurance product. In Georgia, even if sellers schemed to collect a set fee from each customer, placed the fee proceeds in a special fund or account, then paid claims out of that account, this alleged "bad debt" reserve would still be considered insurance under Georgia law. Stated differently, there probably is no legally recognizable way for defendants to operate a bad debt reserve in Georgia without regulators adjudging it to be insurance. Most states would agree with Georgia.

CLAIMS HANDLING PROCEDURES DO NOT INVALIDATE INSURANCE CONTRACTS

Ironically, attacks on insurers' claims handling in NFI are a novelty: insurers are being attacked for actually paying claims and being generous in doing so. Yet, I see no claims handling procedure which, in my opinion, would negate the contracts of insurance and offer the following observations on this issue.

First, with respect to claims, the NFI policies contain provisions governing the claims process, including timely notice, and the insurer's right to inspect books, records, and other documents to verify the claims.

Second, with regard to allegations that claims fall outside coverage provisions of the NFI contracts, in all lines of insurance, claims handling is a matter of judgment and discretion for the insurer. In the real world of insurance policy administration, claims administration includes *ex gratia* decisions to satisfy a major client, an important producer, or, perhaps, a regulator. Claims may also be paid to avoid lawsuits or for other sound business reasons.

Another reason claims are paid is attributable to judicial interpretations, which, according to Professor Abraham, "frequently create insurance coverage when policies do not provide for it." (See Kenneth S. Abraham, Distributing Risk: Insurance, Legal Theory, and Public Policy. New Haven, Yale University Press, 1986, p. 101).

REBATE OF PREMIUM IS NOT UNCOMMON

Rebate of premium, especially if combined with experience rating, is common practice among insurers. Professional liability, auto, health, workers compensation, and even life insurers make return of premium payments to insureds based upon the insurer's profitability or other favorable loss experience. Additionally, it is common for insurers to have contracts with producers, which include a sliding commission scale based upon the loss experience of the book of business secured by the producer.

FEDERAL AGENCIES HAVE TAKEN NO ENFORCEMENT ACTIONS ON NFI

One might expect the federal regulatory agencies with TILA enforcement authority to have taken some action against NFI if it poses such a potent threat and renders even a fraction of the harm alleged by NFI opponents. Yet, I can find no evidence that either the Federal Trade Commission or the Federal Reserve Board has issued a cease and desist order, conducted an investigation, issued a warning, imposed a fine or engaged in similar enforcement efforts with specific reference to NFI. A good example of this implied acquiescence of federal agencies to the legitimacy of NFI is in the FTC's order against a Georgia based small loan company, the Money Tree, in 1997. Allegations against the Money Tree included several credit violations, e.g., credit life, credit disability, accidental death and dismemberment and the sale of auto club memberships. To prevent credit insurance sale abuses, The FTC, consistent with requirements of TILA, ordered the Money Tree to list by type of insurance the "Cost to You" (the borrower) along with a signature line for both the borrower and co-borrower indicating that each type of credit related insurance offered by the lender was selected (or not) by the borrower. Conspicuously absent from the list is non-filing insurance, although the Money Tree has been named as one of the defendants in NFI litigation.

The FTC also publishes several pamphlets and advisory sheets regarding credit problems and consumer credit rights. Of the current list of 25 such information publications, not a single one addresses NFI.

Perhaps the Federal Reserve Board's enforcement and rule making actions are even more instructive. Despite protracted controversy over NFI, the Board has not attempted to clarify Regulation Z to critic's benefit. But in contrast to NFI, when the 7th Circuit Court of Appeals held in McGee v. Kerr-Hickman Chrysler Plymouth, Inc., 93 F. 3d 380 (1996) that GAP insurance is not part of the finance charge under TILA, the Board of Governors of the Federal Reserve quickly promulgated a rule treating GAP the same as credit life and disability insurance. (See Regulation Z, § 226.4(b)(10)). GAP is Guaranteed Automobile Protection, which covers any loan balance deficiency remaining after property insurance on collateral in an auto loan has been paid. It is regulated as insurance in some states, but is unregulated in others. The Board decided to treat the charge the same way, irrespective of whether a state regulated GAP as insurance.

Why has the federal Reserve Board chosen not to take similar actions regarding the alleged abuses in NFI? Perhaps because the Board remains unpersuaded that there is a problem.

CONSUMER BENEFITS OF NFI

There is something bordering on debtor masochism in the NFI criticism. Even assuming the worst about allegations about NFI, I am still left with the question, “Where is the harm?” If a security instrument is filed, it is a matter of public record and may impair a consumer’s ability to incur new but necessary debt. If a security instrument is NOT filed and NFI is purchased, the merchandise may even be pledged as collateral for another loan from another lender. If NFI is bought "in lieu of’ a UCC 1 filing, the consumer is relieved of paying a release fee in addition to the filing fee. This has considerable benefit to consumers.

To illustrate, in the case of Eubanks v. Heilig-Meyers, Heilig-Meyers could have charged $10 for filing and $10 for releasing the filing under Georgia law. Instead, Heilig-Meyers chose to collect $5 for NFI. At 23 percent interest over a 36 month period, the $5 NFI cost the borrower $6.84, or a combined total of $11.84.

On the other hand, adopting opponent's position, if Heilig-Meyers chose to collect the full $20 for filing and releasing the security interest, at 23 percent interest over a three year period the total cost would be $27.72, a figure 2.3 times greater than the buyer’s obligation resulting from Heilig-Meyers’ decision to buy NFI.

Conclusion: NFI reduces the cost of borrowing for consumers; it provides a simplified means of paying merchants for covered losses without disruptive repossession proceedings; it maintains goodwill between customers and merchants; it eliminates costs of repossession, foreclosure and liquidation of collateral in default situations; and it assures administrative convenience for both the merchants and the government agencies responsible for processing UCC 1 filings. NFI is a consumer friendly, legitimate form of insurance coverage that serves both merchant and consumer interests favorably.

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