

## DDA Programs

As the Financial Institution Industry is about to be reviewed related to new regulations, a loss of certain types of Fee Income is almost certain. Some industry analysis indicates that “NSF” related Fee Income has accounted for 24.8% of total non-interest income earned in recent years. Many Financial Institutions are looking to eliminate “Free Checking” yet replace it with a Club Checking Program and new product offerings that can help banks generate new sources of Fee Income and provide a more quality product to their customers.

### **Club Checking Program**

Benefit options can be embedded into Club Checking Accounts or they can be assembled to create a unique product to the customer. Better Programs allow you to assemble or customize a product that creates a Win / Win for the bank and their customer.

A sample of benefit options are noted below.

- Accidental Death and Dismemberment
- Roadside Assistance
- Identity Theft Restoration Service
- Identity Theft Insurance
- Health Discount
- Online Comparison Shopping / Online Shopping Mall
- Travel Insurance Benefit
- Auto or Homeowners Deductable Reimbursement

After choosing specific “Benefit Options” a wholesale price is determined that the Financial Institution will then add their portion of Fee Income to create a retail price to the customer.

This strategy allows each Financial Institution to customize their Program that will help attract and retain customers yet provide a solid source of Fee Income.

### **Thank you AD & D Program**

This program allows the Financial Institution to provide a free Accidental Death & Dismemberment Insurance Product to their DDA customers that is provided to everyone 18 and over. Typically the free coverage is around \$3,000.00. This “free gift” helps build customer loyalty and retention.

Optional coverages can then be purchased with benefits ranging from \$10,000.00 to \$300,000.00. Marketing methods are: Direct Mail, Statement Inserts, Email Blast and Web Links. Customer participation generates reoccurring fees.

Generally the coverage is Guaranteed Issue to all applications. Single, spouse or family plans are available.

All costs are paid for by “The Program Administrator”. No upfront cost to participating Financial Institution. This is a complete “Turn Key Program”. Rates are based upon the coverage amounts selected from \$10,000 to \$300,000.

The Financial Institution participates in Non Interest Fee Income via either a Service Expense Reimbursement Agreement or a List Bill Arrangement.