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## Media Release

FOR IMMEDIATE RELEASE

### NCUA Expresses Concerns to Everest National Insurance About Coverage Claims

May 11, 2007, Alexandria, VA. - National Credit Union Administration (NCUA) General Counsel Robert M. Fenner has sent a letter to Everest National Insurance Company expressing the agency's concern over pending litigation between Everest National and former officials of Centrix Financial, LLC (Centrix).

Everest National provided credit unions participating in Centrix's subprime automobile lending program with default protection insurance (DPI) coverage. Everest has sued former Centrix officials alleging that they committed various frauds on Everest and that former Centrix CEO Robert Sutton breached his contractual obligation to reimburse Everest for certain DPI payments. Mr. Sutton, in his court filings, contends that Centrix loans originated before July 1, 2005 are excluded from Everest's DPI coverage because Centrix permitted VSI insurance, another form of loan insurance from another carrier, to lapse in the summer of 2005 and that Everest's DPI coverage was contingent on continued VSI coverage.

In his letter to Everest, Mr. Fenner stated that "[w]e believe Everest, acting in good faith, has been paying DPI claims as they accrue. We further believe Everest has a legal obligation to continue to pay DPI claims regardless of what Centrix, Everest's agent, did or did not do with the VSI coverage. We encourage Everest to contest, in the strongest possible fashion, Mr. Sutton's claims about exclusion of loans from DPI coverage."

The National Credit Union Administration charters and supervises federal credit unions. NCUA, with the backing of the full faith and credit of the U.S. government, operates and manages the National Credit Union Share Insurance Fund, insuring the accounts of over 85 million account holders in all federal credit unions and the majority of state-chartered credit unions. NCUA is funded by credit unions, not federal tax dollars.