

## Visa Liability Waiver Program

### Overview

- ❖ The Visa liability waiver program is set up to provide coverage in the event of card misuse by terminated employees.
- ❖ Under the program, the company is covered for any “waivable charges”: personal and/or business charges that were reimbursed to the cardholder who then failed to pay US Bank. A claim may be up to \$100,000 if the company has satisfied its program obligations.
- ❖ There is no extra charge of deductible to the company for the Visa Liability program.

### Policy & Procedures

- ❖ U.S. Bank runs a daily query to identify all T9 or terminated accounts that are 60+ days past due and have an outstanding balance of over \$100.00
- ❖ Once identified, the U.S. Bank Specialist sends a claim packet to the company. (Companies that are receiving their first claim will also receive a Visa Insurance Program Outline packet, which will include a flow chart explaining the claim process and client responsibilities.)
- ❖ The company is required to review the claim, answer some brief questions on the Affidavit of Waiver Claim Form, sign and return the form to U.S. Bank within 90 days of notification of termination.
- ❖ Charges must be within 75 days before and 14 days after the Notification of Termination Date.
- ❖ If the company does not notify U.S. Bank of termination date within two days, no charges following the T9 date will be honored.
- ❖ The claimable charges will be marked on the statements. The company should determine if any of these charges have been paid directly to US Bank from the company. If so, those charges should be crossed out as they are neither personal charges, nor were they reimbursed to the cardholder who then failed to pay US Bank. Therefore, they are not claimable charges.
- ❖ Cash advances after T9 notice is limited to \$300 per day or a maximum of \$1,000 whichever is less.
- ❖ The company will add up and enter separately all business charges that have been reimbursed to the cardholder as one total and all personal

charges as another total and input these totals on the Affidavit of Waiver Claim Form. The combined total becomes the claim amount.

- ❖ The company then sends the Affidavit of Waiver Claim Form, Notification of Termination Letter and the marked statement copies to the U.S. Bank Visa Specialist.
- ❖ If the information is not received from the company, a report titled “Visa Insurance Paperwork Needed” is sent to the Account Coordinator and National Account Manager on the 15<sup>th</sup> and 30<sup>th</sup> / 31<sup>st</sup> of each month for their follow up with the company.
- ❖ U.S. Bank will match the company claim information to the original documentation.
- ❖ The claim information will be entered into the system: date of receipt, date of termination notification and dollar amount claimed.
- ❖ U.S. Bank specialist will compile collection notes (claim requires 60 days collection notes) and send via US Mail to the Visa underwriters. Typically the claim is about 120 days past due at this point, and the account is noted that a claim was sent to Visa.
- ❖ The Visa underwriters take approximately 30-45 days to process a claim from the date they receive it.
- ❖ Once a claim check has been posted to an account, the cardholder is now responsible to pay the claim amount to the Visa Underwriters Collection Agency – American International Recoveries (in some instances the file is sent to James West Attorney Offices).

#### Notes:

If the total claimed for business charges that have been reimbursed by the company exceeds \$5,000, proof of reimbursement is required from the company. This usually includes any expense reports that were submitted by the cardholder within the last 75 days of his/her employment.

If charges are personal or if the reimbursed business charges do not exceed \$5,000 no proof of reimbursement is need.

If account balance is less than \$100.00 at time the check is received from the Visa underwriters, the check is sent back to the underwriters.

If account balance is smaller than the original claim submitted, a credit balance check will be generated to be refunded to the Visa underwriters.

## Goals

- ❖ This program is set up to lessen company loss and limit exposure under the company agreement.
- ❖ Protect the company rebate program.
- ❖ Improve payment performance of overall cardholder population, and lessen amount of US Bank losses.