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**Installment Plan Rules**

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Down payments are not required to accompany applications. The first bill for the policy is sent directly to the insured with the contract. All following bills are sent 30 days before the due date.

The policyholder has the choice of four installment options:

Annual installments -	Insured is billed for 100% of the policy premium once a year at policy anniversary.
Semi-annual installments -	Insured is billed for 50% of the policy premium every six months.
Quarterly installments -	Insured is billed for 25% of the policy premium every three months.
10 installments -	Insured is billed for 10% of the policy premium 10 times during the year.

The deposit taken at new business will be applied to the first payment due under the installment plan chosen.

The insured maintains the option of paying the balance of his policy premiums in full at any time even if he has chosen to pay by installment at the time of application.

**Payment of installment premiums should be sent to:**

**ACE PRS**

**P.O. Box 94836**

**Cleveland, Ohio 44101-4836**

## **Bankers Standard Insurance Company**

### **Filing Memorandum Automobile Insurance Installment Payment Plan ACE Platinum Portfolio Program Massachusetts**

#### **I. Plans and Related Fees or Charges**

Down payments are not required to accompany applications. The first bill for the policy is sent directly to the insured with the contract. All following bills are sent 30 days before the due date.

The policyholder has the choice of four installment options:

Annual installments -	Insured is billed for 100% of the policy premium once a year at policy anniversary.
Semi-annual installments -	Insured is billed for 50% of the policy premium every six months.
Quarterly installments -	Insured is billed for 25% of the policy premium every three months.
10 installments -	Insured is billed for 10% of the policy premium 10 times during the year.

The deposit taken at new business will be applied to the first payment due under the installment plan chosen.

The insured maintains the option of paying the balance of his policy premiums in full at any time even if he has chosen to pay by installment at the time of application.

No fees or charges apply for late payments, paying by phone or paying by EFT.

An installment fee of \$ 8.00 applies if AMEX is used or if the insured pays by check.

If a check is returned by the bank unpaid, a NSF (non-sufficient funds) charge of \$25.00 applies.

#### **II. Interest Charges**

No interest charges apply on premiums paid in installments

#### **III. Deposit Premiums**

Deposit premiums or down payments are not required.

#### **IV. Credit Cardholder Discounts; Surcharges; Finance Charge**

Credit card payments are not surcharged.

**Payment of installment premiums should be sent to:**

**ACE PRS  
P.O. Box 94836  
Cleveland, Ohio 44101-4836**

The proposed effective date is February 3, 2011 for new business.

### Installment Breakdown

In-force policies- 39,000  
 95% on installments- 37,050  
 Options selected:  
     50% Quarterly Option  
     15 % Ten-Pay Option  
     30% Semi-Annual Option

The 37,050 installment policies result in the processing of an additional 94, 770 bill transactions.

Cost breakdown as follows:

Item	Annual Cost
Postage	\$70,129
Paper	\$12,242
Envelopes	\$8,000
Printing	\$1,000
Mailroom Staff	\$35,000
Service Staff (Phones/Billing System)	\$287,300
Billing System Maintenance	\$50,000
Billing System Development	\$292,000
<b>Total</b>	<b>\$755,671</b>
<b>Cost per Installment</b>	<b>\$7.97</b>

Total cost to process installments is \$755,671 divided by the total number of installment transactions (94,770) results in a **cost of \$7.97 per installment.**

**Notes:**

1. Above costs do not include first installment transactions.
2. Above costs do not include policies on Annual Payment option.
3. Above costs included postage, paper and envelopes for 925 monthly non-payment cancellations; 76% are on installments.