



Quincy Mutual Fire Insurance Company

ACCOUNTING

7.0

Contacts

01-01-03

Your contacts in the Accounting Department are:

Senior Vice President Finance & Treasurer

Tom Harris

Controller

Lisa Schooley

Direct Bill Commission Statements

Lauren Leydon

Direct Bill Payment Processing

Lauren Leydon

Agents' Accounts

Sharon Fitzgerald and

Maureen O'Loughlin



Quincy Mutual Fire Insurance Company

ACCOUNTING

7.1

Quincy Account Current

01-01-03

Each month Quincy Mutual will post your Account Current on our Quincy Online website. Payment on this account is the **preferred** method.

Your Quincy account will include all transactions processed for the month which includes:

- New/Renewal Premiums
- Additional/Return Premium Endorsements
- Cancellations
- Net Balance Due

and will be posted by Monday morning following each month end.

If you find differences from your records,

let us know and we will make adjustments to your account NEXT month.



Quincy Mutual Fire Insurance Company

ACCOUNTING

7.2

Quincy Account Current

08-01-01

If you must pay by your account, please submit your statement to Quincy Mutual by the 10th day of the following month.

We will:

compare your account with ours

report differences to you using the Producer Account Discrepancy Memo

expect you to pay the Net Balance Due on the Agency Account Current

You should make any corrections to your account in the next accounting month.



Quincy Mutual Fire Insurance Company

ACCOUNTING

7.3

Agent Account Payment

08-01-01

Agent Account payments are due according to the terms of your Agency Agreement.

prepare your check

- for the BALANCE DUE on our account for the month or on your account for the month
- include your agency # and the month being paid on your check

mail your check

to Account Current

- Quincy Mutual Fire Insurance
Quincy, MA 02269-9155

Make your payment for the BALANCE DUE on the Quincy or Agency Account without changes. This will avoid delays and unnecessary correspondence.



Quincy Mutual Fire Insurance Company

ACCOUNTING

7.4

Direct Bill

03-20-06

Quincy Mutual offers your customers a comprehensive direct bill payment plan. The success of this program depends on the accuracy of the information that is provided on the policy application and/or renewal listings.

Agents will receive copies of all Intent to Cancel Notices, Reinstatements and Final Cancellation Memos.

Standard Direct Bill Procedures

a Premium Invoice is sent to the Insured or Mortgagee if applicable. If premium is not received,

an Intent to Cancel notice is sent to the Insured, Mortgagee, Additional Insured and Agent.

a Reinstatement Notice is sent if payment is received after the Intent to Cancel is sent, but before the effective date of cancellation to those who received the Intent to Cancel.

a Final Cancellation Memo is sent to notify the Agent that payment was not received and the policy has been cancelled for nonpayment.

a Premium Invoice for earned premium due on a cancelled policy is sent to the Insured, Agent and Mortgagee, if applicable.

Reinstatement may also be acceptable after the effective date of cancellation, if the overdue installment is received and approved by an Underwriter.

Endorsements

If there are unbilled installments, and:

If the Endorsement is a credit and effective on the effective date, then the reduction in premium will be spread over all installments, including those that have already been billed. Please see page 7.5.2 for an example of this.

If the Endorsement does not fall under the scenario above, then it will be spread out evenly over the remaining installments, regardless of whether it is additional premium or a reduction in premium. Please see page 7.5.3 for an example of this.



Quincy Mutual Fire Insurance Company

ACCOUNTING

7.4.1

Direct Bill

10-15-06

Commissions are paid to the Agent on a Written Premium basis as shown on the monthly Direct Bill Commission Statement as posted on the Quincy Online website.

Payment of commissions by Quincy Mutual may be paid by direct deposit (ACH) to a specified bank account or by check.

24-Hour Billing Inquiry

Information regarding the billing status of a policy may be obtained from the Quincy Online website for Agents Only or by calling 1-877-796-6803 or 617-770-5140. At the prompt, enter the full policy number, including letters followed by the # key.

For Massachusetts Automobile policies, enter AMV or AFV followed by a six-digit number. Do not enter the leading zero in a seven-digit number following.

EFT

Customers may have their payments automatically deducted from their bank account via EFT. Sign up forms are available on QuincyMutual.com under the "Billing" tab.

View and Pay Online

Personal Lines Customers can view and pay their bills via the Internet. They can access this feature by following the link from QuincyMutual.com to MyCheckFree.

If you have any questions, please contact your Marketing Representative or our Customer Service Department at 800-899-1116 X: 5390.

Personal Lines Customers can now view and pay their bills via the Internet. They can access this feature by following the link to MyCheckFree via QuincyMutual.com.

If you have any questions, please contact your Marketing Representative or our Customer Service Department at 800-899-1116 X: 5390.



Direct Bill Payment Plans

06-01-10

Please identify on the application whether Premium Invoices are to be sent to the Insured or Mortgagee.

Your Insured has the following payment options:
(Please note each plan's applicability to the type of policy.)

A. One Payment

This option is typically used for Mortgagee billed policies. Payment in full, due on inception date with no service charge.

B. Four Payments

This option is available on all lines of business.

Twenty Five percent (25%) due on inception date or with application.

Three additional equal installments (25%) billed at 60 day intervals.

Six dollar (\$6.00) service charge per installment.

C. Nine Payments

This option is available for all lines of business.

Twenty percent (20%) due on inception date or with application.

Eight additional equal installments of (10%) billed at 30 day intervals.

Six dollar (\$6.00) service charge per installment.

D. Twelve Payments

This option is only available for EFT policies.

Installments will be spread evenly for the first year at 30 day intervals (this typically means 10 or 11 equal installments in the first year depending on the date the application is processed). Future terms will renew with 12 equal installments.

No Service Charge.

Notes:

Customers that sign up for EFT will automatically be renewed as a 12-pay.

Cancellation Notices for EFT policies must be paid with an alternative payment method. An automatic withdrawal will not be processed. EFT will resume after policy is reinstated.

The installment service charge is \$ 2.00 for customers that sign up to receive e-Bills through CheckFree.

Late Fee

A fee of \$25 will be applied to the second and any subsequent Cancellation Pending Notice for each policy term on MA Personal Auto policies, and \$ 20 for all other MA lines of business.

Insufficient Funds Processing (Bounced Checks)

Checks and electronic payments not honored by a financial institution are subject to a processing fee of \$25.00 for Massachusetts Auto Insurance Plan (MAIP) policies and \$20.00 for all other. Future payments may require a Cashier's or Certified Check. When a payment that reinstated a policy is not honored, we will rescind the notice of reinstatement and cancel the policy on the original date of cancellation.



Quincy Mutual Fire Insurance Company

ACCOUNTING

7.5.1

Direct Bill - Examples

06-01-10

SAMPLE OF HOW THE PLAN WORKS

Policy effective 1-01-06
 Policy premium \$1,000
 Application Plan selected 60 days prior to expiration for renewal policies.
 Plan selected 35 days prior to effective date for new policies.

Payment Plan	Payment	Bill Sent	Due	Premium Amount	Service Charges
Four Payments*	Down Payment	11-Dec-05	01-Jan-06	\$250.00	
	1st Installment	09-Feb-06	01-Mar-06	\$250.00	\$6.00
	2nd Installment	10-Apr-06	30-Apr-06	\$250.00	\$6.00
	3rd Installment	09-Jun-06	29-Jun-06	\$250.00	\$6.00
Total				\$1,000.00	\$ 18.00

Nine Payments*	Down Payment	11-Dec-05	01-Jan-06	\$200.00	
	1st Installment	10-Jan-06	30-Jan-06	\$100.00	\$6.00
	2nd Installment	09-Feb-06	01-Mar-06	\$100.00	\$6.00
	3rd Installment	11-Mar-06	31-Mar-06	\$100.00	\$6.00
	4th Installment	10-Apr-06	30-Apr-06	\$100.00	\$6.00
	5th Installment	10-May-06	30-May-06	\$100.00	\$6.00
	6th Installment	09-Jun-06	29-Jun-06	\$100.00	\$6.00
	7th Installment	09-Jul-06	29-Jul-06	\$100.00	\$6.00
	8th Installment	08-Aug-06	28-Aug-06	\$100.00	\$6.00
Total				\$1,000.00	\$ 48.00

* Premium invoices on Connecticut Renewal Policies are mailed approximately 31 days prior to the effective date of the renewal policy. All other states renewal premium invoices are mailed approximately 21 days prior to the effective date of the renewal policy.



Quincy Mutual Fire Insurance Company

ACCOUNTING

7.5.2

Direct Bill - Examples

06-01-10

Sample of how an effective date Return Premium Endorsement works:

Policy Effective 1/1/2006
 Policy Premium \$ 1,000
 Endorsement Premium (\$ 400.00)
(Processed on 1/8/06, effective 1/1/06)

Prior To Endorsement:

Payment Plan	Payment	Bill Sent	Due	Premium	Service Charges	Endorsement Amount	Minimum Due
Four Payments	Down Payment	12/11/2005	1/1/2006	\$250.00	\$0.00	\$0.00	\$250.00
	1 st Installment	2/9/2006	3/2/2006	\$250.00	\$6.00	\$0.00	\$256.00
	2 nd Installment	4/10/2006	5/1/2006	\$250.00	\$6.00	\$0.00	\$256.00
	3 rd Installment	6/9/2006	6/30/2006	\$250.00	\$6.00	\$0.00	\$256.00

After Endorsement:

Payment Plan	Payment	Bill Sent	Due	Premium	Service Charges	Endorsement Amount	Minimum Due
Four Payments	Down Payment	12/11/2005	1/1/2006	\$250.00	\$0.00	-\$100.00	\$150.00
	1 st Installment	2/9/2006	3/2/2006	\$250.00	\$6.00	-\$100.00	\$156.00
	2 nd Installment	4/10/2006	5/1/2006	\$250.00	\$6.00	-\$100.00	\$156.00
	3 rd Installment	6/9/2006	6/30/2006	\$250.00	\$6.00	-\$100.00	\$156.00



Quincy Mutual Fire Insurance Company

ACCOUNTING

7.5.3

Direct Bill - Examples

06-01-10

Sample of how a non-effective date Additional Premium Endorsement works:

Policy Effective 1/1/2006
 Policy Premium \$ 1,000
 Endorsement Premium (\$ 400.00)
(Processed on 2/10/06, effective 2/1/06)

Payment Plan	Payment	Bill Sent	Due	Premium	Service Charges	Endorsement Amount	Minimum Due
Four Payments	Down Payment	12/11/2005	1/1/2006	\$250.00	\$0.00	\$0.00	\$250.00
	1 st Installment	2/9/2006	3/2/2006	\$250.00	\$6.00	\$0.00	\$256.00
	2 nd Installment	4/10/2006	5/1/2006	\$250.00	\$6.00	\$200.00	\$456.00
	3 rd Installment	6/9/2006	6/30/2006	\$250.00	\$6.00	\$200.00	\$456.00

Total Premium + Service Charges \$ 1,418.00

Sample of how a non-effective date Return Premium Endorsement works:

Policy Effective 1/1/2006
 Policy Premium \$ 1,000
 Endorsement Premium (\$ 300.00)
(Processed on 2/10/06, effective 2/1/06)

Payment Plan	Payment	Bill Sent	Due	Premium	Service Charges	Endorsement Amount	Minimum Due
Nine Payments	Down Payment	12/11/2005	1/1/2006	\$200.00	\$0.00	\$0.00	\$200.00
	1 st Installment	1/10/2006	1/31/2006	\$100.00	\$6.00	\$0.00	\$106.00
	2 nd Installment	2/9/2006	3/2/2006	\$100.00	\$6.00	\$0.00	\$106.00
	3 rd Installment	3/11/2006	4/1/2006	\$100.00	\$6.00	-\$50.00	\$56.00
	4 th Installment	4/10/2006	5/1/2006	\$100.00	\$6.00	-\$50.00	\$56.00
	5 th Installment	5/10/2006	5/31/2006	\$100.00	\$6.00	-\$50.00	\$56.00
	6 th Installment	6/9/2006	6/30/2006	\$100.00	\$6.00	-\$50.00	\$56.00
	7 th Installment	7/9/2006	7/30/2006	\$100.00	\$6.00	-\$50.00	\$56.00
	8 th Installment	8/8/2006	8/29/2006	\$100.00	\$6.00	-\$50.00	\$56.00

Total Premium + Service Charges \$ 748.00

Quincy Mutual Fire Insurance APPLICATION FOR MASSACHUSETTS MOTOR VEHICLE INSURANCE

PRODUCER	CODE:	APPLICANT'S NAME, RESIDENTIAL ADDRESS AND ZIP	PHONE:
BINDER/POLICY #:		MAIL ADDRESS (IF DIFFERENT)	
EFFECTIVE DATE	EXPIRATION DATE		
[COMPANY USE]		DIRECT BILL AGENCY BILL	PAYMENT PLAN
		DEPOSIT PREMIUM \$	

COVERAGE INFORMATION: Massachusetts Law requires that if a company elects to provide Compulsory Insurance Coverage (Parts 1.2,3,4), it must also offer the following Optional Coverages: Optional Bodily Injury to Others, Bodily Injury Caused by An Uninsured Auto, Bodily Injury Caused By An Underinsured Auto at limits up to \$35,000 each person, \$80,000 each accident, Medical Payments Coverage up to \$5,000, Collision, Limited Collision, Comprehensive and Substitute Transportation. However, Part 7, Collision, Part 8, Limited Collision, and Part 9, Comprehensive coverages may be refused or cancelled in certain situations as provided for in the law. Part 11, Towing and Labor Coverage is available at the option of the Company.

COVERAGES PARTS 1 - 12	AUTO 1		AUTO 2	
	LIMITS/DEDUCTIBLE	PREMIUM	LIMITS/DEDUCTIBLE	PREMIUM
1. BODILY INJURY TO OTHERS	\$20,000 PER PERSON/\$40,000 PER ACCIDENT	\$	\$20,000 PER PERSON/\$40,000 PER ACCIDENT	\$
2. PERSONAL INJURY PROTECTION	\$8,000 PER PERSON <input type="checkbox"/> YOURSELF \$ DED <input type="checkbox"/> YOURSELF & HOUSEHOLD MEMBERS	\$	\$8,000 PER PERSON <input type="checkbox"/> YOURSELF \$ DED <input type="checkbox"/> YOURSELF & HOUSEHOLD MEMBERS	\$
3. BODILY INJURY CAUSED BY AN UNINSURED AUTO (COMPULSORY LIMITS \$20,000/\$40,000)	\$ PER PERSON	\$	\$ PER PERSON	\$
4. DAMAGE TO SOMEONE ELSE'S PROPERTY (COMPULSORY LIMIT \$5,000)	\$ PER ACCIDENT	\$	\$ PER ACCIDENT	\$
OPTIONAL INSURANCE				
5. OPTIONAL BODILY INJURY TO OTHERS	\$ PER PERSON \$ PER ACCIDENT	\$	\$ PER PERSON \$ PER ACCIDENT	\$
6. MEDICAL PAYMENTS	\$ PER PERSON	\$	\$ PER PERSON	\$
7. COLLISION ACV	WAIVER OF DEDUCTIBLE \$ DED	\$	WAIVER OF DEDUCTIBLE \$ DED	\$
8. LIMITED COLLISION ACV	\$ DED	\$	\$ DED	\$
9. COMPREHENSIVE ACV	\$100 GLASS DEDUCTIBLE \$ DED	\$	\$100 GLASS DEDUCTIBLE \$ DED	\$
10. SUBSTITUTE TRANSPORTATION	UP TO \$ A DAY, MAXIMUM \$	\$	UP TO \$ A DAY, MAXIMUM \$	\$
11. TOWING AND LABOR	UP TO \$ FOR EACH DISABLEMENT	\$	UP TO \$ FOR EACH DISABLEMENT	\$
12. BODILY INJURY CAUSED BY AN UNDERINSURED AUTO	\$ PER PERSON \$ PER ACCIDENT	\$	\$ PER PERSON \$ PER ACCIDENT	\$
*OPTIONAL COVERAGES		\$		\$
MERIT RATING PLAN	PREMIUM ADJUSTMENT	\$	PREMIUM ADJUSTMENT	\$
GUEST OCCUPANT EXCLUSION FOR MOTORCYCLE	PREMIUM * * SUBJECT TO MERIT RATING PLAN	\$	PREMIUM *	\$
TOTAL PREMIUM				\$

VEHICLE INFORMATION	PLACE OF PRINCIPAL GARAGING - AUTO 1: STREET ADDRESS, CITY OR TOWN ZIP CODE	AUTO 2:	
----------------------------	--	---------	--

#	YEAR	MAKE, MODEL AND, IF MOTORCYCLE, C.C.	VEHICLE IDENTIFICATION NUMBER	GROSS VEHICLE WEIGHT FOR VAN OR PICK-UP	REGISTRATION PLATE NUMBER	DATE OF PURCHASE	COST NEW	MILES AUTO WAS DRIVEN IN PAST 12 MOS	ODOMETER READING
1									
2									

#	AIR BAG/PASSIVE SEAT BELT (YES/NO)	ANTI-THEFT (YES/NO)	VEHICLE RECOVERY SYSTEM (YES/NO)	LEASED AUTO (YES/NO)	SECURED LENDER AND/OR LESSOR (Please include name and address)
1					
2					

NOTICE: Evidence of installation of an anti-theft device or a vehicle recovery system is required to receive a discount for Part 9, Comprehensive. If your auto is not equipped with an anti-theft device or a vehicle recovery system and your auto is on the High-Theft Vehicle List furnished with this application, you may be charged an Extra-Risk rate for Part 9, Comprehensive.

DRIVER INFORMATION Furnish information for the applicant and each individual who customarily operates the auto(s) whether or not a Household Member. Your failure to list a household member or any individual who customarily operates your auto may have very serious consequences.

	OPERATOR NAME	DATE OF BIRTH	CURRENT DRIVER'S LICENSE # /LICENSED STATE If licensed in another state or country within the last 6 years, also indicate that state or country and the license number.	MERIT RATING PLAN CODE	DATE FIRST LICENSED		DRIVER TRAINING	% OF USE						
					MASS	OTHER		YES/NO	AUTO 1	AUTO 2	AUTO 3	AUTO 4		
					1									
2														
3														
4														

NOTICE If you or someone else on your behalf knowingly gives us false, deceptive, misleading or incomplete information in this application and if such false, deceptive, misleading or incomplete information increases our risk of loss, we may refuse to pay claims under any or all of the Optional Insurance Parts and we may cancel your policy. Such information includes the description and the place of garaging of the vehicle(s) to be insured, the names of all household members and customary operators required to be listed and the answers given above for all listed operators. We may also limit our payments under Part 3 and Part 4. We will not pay for a collision or limited collision loss for an accident which occurs while your auto is being operated by a household member who is not listed as an operator on your policy. Payment is withheld when the household member, if listed, would require the payment of additional premium on your policy because the household member would be classified as an inexperienced operator or would require payment of additional premium on your policy under the Merit Rating Plan.

PLEASE CONTINUE AND COMPLETE INFORMATION ON REVERSE

DRIVER INFORMATION (CONTINUED)		Explain all "Yes" responses in the REMARKS Section. During the last six years have you or any listed operator:									
		YES	NO							YES	NO
A. BEEN INVOLVED IN ANY MOTOR VEHICLE ACCIDENT OR BEEN FOUND GUILTY OF ANY MOVING VIOLATION?				E. RECEIVED PAYMENT FROM AN INSURANCE COMPANY FOR ANY COMPREHENSIVE CLAIM?							
B. BEEN ASSIGNED TO AN ALCOHOL EDUCATION PROGRAM?				F. HAD YOUR LICENSE REVOKED OR SUSPENDED?							
C. HAD TWO OR MORE TOTAL FIRE OR TOTAL THEFT CLAIMS ?				G. HAVE ALL LISTED OPERATORS BEEN INSURED WITHOUT A LAPSE IN COVERAGE DURING THE 12 MONTHS PRECEDING THE EFFECTIVE DATE OF THE POLICY? OPERATORS							
				1	2	3	4	5	6		
				Y	N	Y	N	Y	N	Y	N
D. FRAUD, AUTO THEFT, OR DRIVING UNDER THE INFLUENCE OF ALCOHOL OR DRUGS BEEN CONVICTED OF VEHICULAR HOMICIDE, AUTO RELATED?				H. DOES ANY OPERATOR HAVE AN OUT OF STATE OR FOREIGN LICENSE AND BEEN CONTINUOUSLY INSURED WITHOUT A LAPSE IN COVERAGE DURING THE 12 MONTHS PRECEDING THE EFFECTIVE DATE OF THE POLICY? IF "YES", PLEASE INDICATE THE PREVIOUS CARRIER, POLICY NUMBER AND POLICY DATES IN THE REMARKS SECTION.							

LICENSE INFORMATION Once you or the principal operator listed on this application become a resident of Massachusetts, you or the principal operator must obtain a Massachusetts driver's license. A resident of another state may drive in Massachusetts with a currently valid license issued by the individual's state of residence. A visitor from another country who is at least 18 years old and has a valid license issued by a country accepted by the Registrar of Motor Vehicles (in accordance with the 1949 Road Traffic Convention or the 1943 Inter-American Automotive Traffic Convention) may legally drive in Massachusetts for up to one year from the date of arrival in the United States. The failure by you or the principal operator to be properly licensed to operate a motor vehicle in Massachusetts may result in the non-renewal of the automobile insurance policy. For information about the Massachusetts requirements for driver's licenses, please consult the Registry of Motor Vehicle's website at www.mass.gov/rmv.

MERIT RATING INFORMATION If in the last six years any listed operator had a driver's license in the United States or certain countries whose records are electronically available, we will obtain that official driving record(s), which will be used to assign a Merit Rating Plan Code to you. See "Your Consumer Guide" for additional information.

GENERAL INFORMATION Explain all "Yes" responses in the REMARKS Section; on Questions 3 - 8 include the auto number.

		YES	NO							YES	NO
1. DO YOU PRESENTLY OWE ANY MOTOR VEHICLE PREMIUM, PAYABLE IN THE LAST TWELVE MONTHS?				5. IS ANY AUTO USED TO TRANSPORT (To or From Work or School): A. FELLOW EMPLOYEES, PASSENGERS OR STUDENTS, FOR A FEE? B. PERSONS EMPLOYED BY YOU?							
2. HAS YOUR AUTOMOBILE INSURANCE POLICY BEEN CANCELED OR NON-RENEWED FOR ANY REASON IN THE LAST THREE YEARS?				6. IS ANY VAN OR PICK-UP EQUIPPED WITH CUSTOM FURNISHINGS OR CUSTOM EQUIPMENT? (If Yes, You May Wish to Purchase Additional Coverage.)							
3. ARE ANY LISTED OPERATORS INCLUDED ON ANOTHER POLICY OR DO THEY HAVE THEIR OWN MASSACHUSETTS PERSONAL AUTOMOBILE POLICY? (LIST OPERATOR #, INSURANCE COMPANY, AND POLICY#)				7. IS ANY AUTO EQUIPPED WITH ELECTRONIC EQUIPMENT PERMANENTLY INSTALLED BUT NOT IN LOCATIONS USED BY THE AUTO MANUFACTURER FOR SUCH EQUIPMENT? (If You Wish to Purchase Coverage For these Items, list Make, Model, Serial #, Amount of Ins. for Items).							
4. IF A VEHICLE IS A MOTORCYCLE, HAS THE PRINCIPAL OPERATOR COMPLETED AN APPROVED MOTORCYCLE RIDER TRAINING PROGRAM? (ATTACH COPY OF CERTIFICATE OR OTHER EVIDENCE OF COMPLETION)				8. IS ANY AUTO USED IN BUSINESS? (Type of Business) A. IF VAN/PICK-UP, IS IT USED TO DELIVER/TRANSPORT GOODS? B. IS GROSS VEHICLE WEIGHT 10,000 POUNDS OR MORE?							

9. IF ANY AUTO(S) TO BE INSURED IS TITLED WITH A SALVAGE TITLE ISSUED BY THE MASS REGISTRY OF MOTOR VEHICLES, PLEASE INDICATE. (Salvage Title Vehicles Are Not Eligible for Coverage Parts 7, 8, or 9)		ATTACHMENTS									
AUTO 1 _____ AUTO 2 _____		<input type="checkbox"/>	ANTI-THEFT DEVICE CERTIFICATE								
		<input type="checkbox"/>	APPRAISAL								
10. IF ANY AUTO(S) LISTED ON THE APPLICATION IS CONSIDERED TO BE AN ANTIQUE AUTO AND YOU WISH TO PURCHASE COVERAGE PARTS 7, 8 OR 9, ATTACH A COPY OF THE CURRENT APPRAISAL.		<input type="checkbox"/>	APPROVED DRIVER TRAINING CERTIFICATE								
		<input type="checkbox"/>	APPROVED MOTORCYCLE RIDER TRAINING CERTIFICATE.								
11. IF THIS APPLICATION IS FOR A MOTORCYCLE, TRAILER OR RECREATIONAL VEHICLE, AN ANNUAL POLICY WILL BE ISSUED UNLESS INDICATED BELOW:		<input type="checkbox"/>	CUSTOMIZED EQUIPMENT EVIDENCE								
<input type="checkbox"/> MOTORCYCLE ONLY - ISSUE MY POLICY TO EXPIRE AT 12:01 A.M. ON JANUARY 1ST AND DO NOT RENEW.		<input type="checkbox"/>	OPERATOR EXCLUSION FORM								
<input type="checkbox"/> TRAILER OR RECREATIONAL VEHICLE - ISSUE MY POLICY TO EXPIRE AT 12:01 A.M. ON DECEMBER 1ST AND DO NOT RENEW.		<input type="checkbox"/>	OUT-OF-STATE DRIVER RECORD								
		<input type="checkbox"/>	PRE-INSURANCE FORM								
		<input type="checkbox"/>	VEHICLE RECOVERY SYSTEM CERTIFICATE								

REMARKS IF ADDITIONAL SPACE IS REQUIRED, ATTACH ADDITIONAL SHEET(S) OF PAPER.

*OPTIONAL COVERAGES:
 AUTO LOAN/LEASE COVERAGE: AUTO 1 \$ _____ AUTO 2 \$ _____
 QUINCY MUTUAL AUTO ENHANCEMENT ENDORSMENT: AUTO 1 \$ _____ AUTO 2 \$ _____

FAIR CREDIT REPORTING ACT: In connection with your application for insurance and as part of our normal underwriting procedure, an investigative consumer report may be obtained, including, if applicable, information as to character, general reputation, personal characteristics and mode of living. This information is obtained through personal interviews with your friends, neighbors and associates. Upon written request, received within a reasonable time, additional detailed information concerning the nature and scope of this investigation will be provided.

DECLARATIONS AND SIGNATURES

I DECLARE THAT ALL THE STATEMENTS CONTAINED IN THIS APPLICATION ARE COMPLETE AND TRUE TO THE BEST OF MY KNOWLEDGE AS OF THIS DATE. I UNDERSTAND THAT THE COMPANY MAY EXCHANGE PAYMENT OF PREMIUM INFORMATION AND ACCIDENT OR CLAIM INFORMATION WITH MY PREVIOUS AUTOMOBILE INSURANCE COMPANY.

Signature of Applicant Date and Time

TO BE COMPLETED BY AGENT:
The information contained in this application is as told to me by the applicant and is true and complete to the best of my knowledge.

Signature of Agent Date and Time

IF THIS APPLICATION IS BEING ELECTRONICALLY TRANSMITTED, THE FOLLOWING MUST ALSO BE COMPLETED:
I agree to be bound by this electronic record and it shall have the same legal force and effect as the written application.

Applicant's Name



Quincy Mutual Fire Insurance Company

ACCOUNTING

7.0

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01-01-03

Your contacts in the Accounting Department are:

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- for the BALANCE DUE on our account for the month or on your account for the month
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to Account Current

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Quincy, MA 02269-9155

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an Intent to Cancel notice is sent to the Insured, Mortgagee, Additional Insured and Agent.

a Reinstatement Notice is sent if payment is received after the Intent to Cancel is sent, but before the effective date of cancellation to those who received the Intent to Cancel.

a Final Cancellation Memo is sent to notify the Agent that payment was not received and the policy has been cancelled for nonpayment.

a Premium Invoice for earned premium due on a cancelled policy is sent to the Insured, Agent and Mortgagee, if applicable.

Reinstatement may also be acceptable after the effective date of cancellation, if the overdue installment is received and approved by an Underwriter.

Endorsements

If there are unbilled installments, and:

If the Endorsement is a credit and effective on the effective date, then the reduction in premium will be spread over all installments, including those that have already been billed. Please see page 7.5.2 for an example of this.

If the Endorsement does not fall under the scenario above, then it will be spread out evenly over the remaining installments, regardless of whether it is additional premium or a reduction in premium. Please see page 7.5.3 for an example of this.



Quincy Mutual Fire Insurance Company

ACCOUNTING

7.4.1

Direct Bill

10-15-06

Commissions are paid to the Agent on a Written Premium basis as shown on the monthly Direct Bill Commission Statement as posted on the Quincy Online website.

Payment of commissions by Quincy Mutual may be paid by direct deposit (ACH) to a specified bank account or by check.

24-Hour Billing Inquiry

Information regarding the billing status of a policy may be obtained from the Quincy Online website for Agents Only or by calling 1-877-796-6803 or 617-770-5140. At the prompt, enter the full policy number, including letters followed by the # key.

For Massachusetts Automobile policies, enter AMV or AFV followed by a six-digit number. Do not enter the leading zero in a seven-digit number following.

EFT

Customers may have their payments automatically deducted from their bank account via EFT. Sign up forms are available on QuincyMutual.com under the "Billing" tab.

View and Pay Online

Personal Lines Customers can view and pay their bills via the Internet. They can access this feature by following the link from QuincyMutual.com to MyCheckFree.

If you have any questions, please contact your Marketing Representative or our Customer Service Department at 800-899-1116 X: 5390.

Personal Lines Customers can now view and pay their bills via the Internet. They can access this feature by following the link to MyCheckFree via QuincyMutual.com.

If you have any questions, please contact your Marketing Representative or our Customer Service Department at 800-899-1116 X: 5390.



Direct Bill Payment Plans

~~10-01-08~~
06-01-10

Please identify on the application whether Premium Invoices are to be sent to the Insured or Mortgagee.

Your Insured has the following payment options:
(Please note each plan's applicability to the type of policy.)

A. One Payment

This option is typically used for Mortgagee billed policies. Payment in full, due on inception date with no service charge.

B. Four Payments

This option is available on all lines of business.

Twenty Five percent (25%) due on inception date or with application.

Three additional equal installments (25%) billed at 60 day intervals.

~~Four~~ Six dollar (\$~~46~~.00) service charge per installment.

C. Nine Payments

This option is available for all lines of business.

Twenty percent (20%) due on inception date or with application.

Eight additional equal installments of (10%) billed at 30 day intervals.

~~Four~~ Six dollar (\$~~46~~.00) service charge per installment.

D. Twelve Payments

This option is only available for EFT policies.

Installments will be spread evenly for the first year at 30 day intervals (this typically means 10 or 11 equal installments in the first year depending on the date the application is processed). Future terms will renew with 12 equal installments.

No Service Charge.

Notes:

Customers that sign up for EFT will automatically be renewed as a 12-pay.

Cancellation Notices for EFT policies must be paid with an alternative payment method. An automatic withdrawal will not be processed. EFT will resume after policy is reinstated.

The installment service charge is \$ 2.00 for customers that sign up to receive e-Bills through CheckFree.

Late Fee

A fee of \$25 will be applied to the second and any subsequent Cancellation Pending Notice for each policy term on MA Personal Auto policies, and \$ 20 for all other MA lines of business.

Insufficient Funds Processing (Bounced Checks)

Checks and electronic payments not honored by a financial institution are subject to a processing fee of \$25.00 for Massachusetts Auto Insurance Plan (MAIP) policies and \$20.00 for all other. Future payments may require a Cashier's or Certified Check. When a payment that reinstated a policy is not honored, we will rescind the notice of reinstatement and cancel the policy on the original date of cancellation.



Quincy Mutual Fire Insurance Company

ACCOUNTING

7.5.1

Direct Bill - Examples

~~09-21-07~~
06-01-10

SAMPLE OF HOW THE PLAN WORKS

Policy effective 1-01-06
 Policy premium \$1,000
 Application Plan selected 60 days prior to expiration for renewal policies.
 Plan selected 35 days prior to effective date for new policies.

Payment Plan	Payment	Bill Sent	Due	Premium Amount	Service Charges
Four Payments*	Down Payment	11-Dec-05	01-Jan-06	\$250.00	
	1st Installment	09-Feb-06	01-Mar-06	\$250.00	\$ 46.00
	2nd Installment	10-Apr-06	30-Apr-06	\$250.00	\$ 46.00
	3rd Installment	09-Jun-06	29-Jun-06	\$250.00	\$ 46.00
Total				\$1,000.00	\$12 18.00

Nine Payments*	Down Payment	11-Dec-05	01-Jan-06	\$200.00	
	1st Installment	10-Jan-06	30-Jan-06	\$100.00	\$ 46.00
	2nd Installment	09-Feb-06	01-Mar-06	\$100.00	\$ 46.00
	3rd Installment	11-Mar-06	31-Mar-06	\$100.00	\$ 46.00
	4th Installment	10-Apr-06	30-Apr-06	\$100.00	\$ 46.00
	5th Installment	10-May-06	30-May-06	\$100.00	\$ 46.00
	6th Installment	09-Jun-06	29-Jun-06	\$100.00	\$ 46.00
	7th Installment	09-Jul-06	29-Jul-06	\$100.00	\$ 46.00
	8th Installment	08-Aug-06	28-Aug-06	\$100.00	\$ 46.00
Total				\$1,000.00	\$32 48.00

* Premium invoices on Connecticut Renewal Policies are mailed approximately 31 days prior to the effective date of the renewal policy. All other states renewal premium invoices are mailed approximately 21 days prior to the effective date of the renewal policy.



Quincy Mutual Fire Insurance Company

ACCOUNTING

7.5.2

Direct Bill - Examples

~~03-20-06~~

06-01-10

Sample of how an effective date Return Premium Endorsement works:

Policy Effective 1/1/2006
 Policy Premium \$ 1,000
 Endorsement Premium (\$ 400.00)
(Processed on 1/8/06, effective 1/1/06)

Prior To Endorsement:

Payment Plan	Payment	Bill Sent	Due	Premium	Service Charges	Endorsement Amount	Minimum Due
Four Payments	Down Payment	12/11/2005	1/1/2006	\$250.00	\$0.00	\$0.00	\$250.00
	1 st Installment	2/9/2006	3/2/2006	\$250.00	\$46.00	\$0.00	\$254256.00
	2 nd Installment	4/10/2006	5/1/2006	\$250.00	\$46.00	\$0.00	\$254256.00
	3 rd Installment	6/9/2006	6/30/2006	\$250.00	\$46.00	\$0.00	\$254256.00

After Endorsement:

Payment Plan	Payment	Bill Sent	Due	Premium	Service Charges	Endorsement Amount	Minimum Due
Four Payments	Down Payment	12/11/2005	1/1/2006	\$250.00	\$0.00	-\$100.00	\$150.00
	1 st Installment	2/9/2006	3/2/2006	\$250.00	\$46.00	-\$100.00	\$154156.00
	2 nd Installment	4/10/2006	5/1/2006	\$250.00	\$46.00	-\$100.00	\$154156.00
	3 rd Installment	6/9/2006	6/30/2006	\$250.00	\$46.00	-\$100.00	\$154156.00



Quincy Mutual Fire Insurance Company

ACCOUNTING

7.5.3

Direct Bill - Examples

03-20-06
06-01-10

Sample of how a non-effective date Additional Premium Endorsement works:

Policy Effective 1/1/2006
Policy Premium \$ 1,000
Endorsement Premium (\$ 400.00)
(Processed on 2/10/06, effective 2/1/06)

Payment Plan	Payment	Bill Sent	Due	Premium	Service Charges	Endorsement Amount	Minimum Due
Four Payments	Down Payment	12/11/2005	1/1/2006	\$250.00	\$0.00	\$0.00	\$250.00
	1 st Installment	2/9/2006	3/2/2006	\$250.00	\$46.00	\$0.00	\$254 256.00
	2 nd Installment	4/10/2006	5/1/2006	\$250.00	\$46.00	\$200.00	\$454 456.00
	3 rd Installment	6/9/2006	6/30/2006	\$250.00	\$46.00	\$200.00	\$454 456.00

Total Premium + Service Charges \$1,412 1,418.00

Sample of how a non-effective date Return Premium Endorsement works:

Policy Effective 1/1/2006
Policy Premium \$ 1,000
Endorsement Premium (\$ 300.00)
(Processed on 2/10/06, effective 2/1/06)

Payment Plan	Payment	Bill Sent	Due	Premium	Service Charges	Endorsement Amount	Minimum Due
Nine Payments	Down Payment	12/11/2005	1/1/2006	\$200.00	\$0.00	\$0.00	\$200.00
	1 st Installment	1/10/2006	1/31/2006	\$100.00	\$46.00	\$0.00	\$104 106.00
	2 nd Installment	2/9/2006	3/2/2006	\$100.00	\$46.00	\$0.00	\$104 106.00
	3 rd Installment	3/11/2006	4/1/2006	\$100.00	\$46.00	-\$50.00	\$54 56.00
	4 th Installment	4/10/2006	5/1/2006	\$100.00	\$46.00	-\$50.00	\$54 56.00
	5 th Installment	5/10/2006	5/31/2006	\$100.00	\$46.00	-\$50.00	\$54 56.00
	6 th Installment	6/9/2006	6/30/2006	\$100.00	\$46.00	-\$50.00	\$54 56.00
	7 th Installment	7/9/2006	7/30/2006	\$100.00	\$46.00	-\$50.00	\$54 56.00
	8 th Installment	8/8/2006	8/29/2006	\$100.00	\$46.00	-\$50.00	\$54 56.00

Total Premium + Service Charges \$732 748.00

Justification for Increase in Service Charges from \$4 to \$6 in the State of MA

	<u>Description</u>	<u>Cost</u>
	The expense associated with installment billing includes costs to:	
A	a.) Produce and mail invoices	\$1.00
B	b.) Receive, process, & deposit payments	\$2.50
C	Installment payments result in lost investment income as premium payments are received over time rather than at the beginning of the	\$2.50
D	Experience shows that customers that use installment plans have less favorable loss experience, but we have not incorporated that here.	\$0.00
	Total	\$6.00

- A Paper, Printing, Labor and Postage.
- B Mail Room, Data Entry, Deposit Fee, Balancing and Reconciliation of Accounts
- D See Calculation on next tab of worksheet
- D See Experience below

C Investment Income
 Quincy Mutual wrote \$166,172,082 of premium on 149,723 policies in MA in 2010.
 Average Premium Size 1,110
 Assumed investment yield 4.5%
 See next tab of worksheet that supports a charge of \$2.50 per installment is slightly more than justified for this component alone.

D Experience
 Not reflected here, but clearly identified in the attached back-up is the fact that policies paid using installment plans demonstrate consistently higher loss ratios.

Quincy Mutual - MA Business Effective 2006 - 2008 - Calculation of Service Charge required

Yield on invested assets =====>

4.50%

S/C =>

\$2.50

<u>PFX</u>	<u>#INST</u>	<u>PREM</u>	<u>POL</u>	<u>AvgPrm</u>	<u>INCUR</u>	<u>LR%</u>	<u>Interest</u>	<u>Interest</u>	<u>Interest</u>	<u>Earned</u>	<u>Net</u>
							Full	Lost		S/C	
AF	0	857,523	381	2,251	181,231	21%	38,589	-	-	-	-
AF	1	299,371	121	2,474	111,236	37%	13,472	898	303	(596)	
AF	2	218,324	73	2,991	27,660	13%	9,825	1,228	365	(863)	
AF	3	125,172	58	2,158	48,572	39%	5,633	986	435	(551)	
AF	4	118,904	63	1,887	133,283	112%	5,351	1,159	630	(529)	
AF	5	127,777	63	2,028	101,666	80%	5,750	1,437	788	(650)	
AF	6	259,668	97	2,677	83,850	32%	11,685	3,213	1,455	(1,758)	
AF	7	451,073	162	2,784	487,413	108%	20,298	5,920	2,835	(3,085)	
AF	8	1,169,350	362	3,230	305,938	26%	52,621	15,786	7,240	(8,546)	
	TOTAL	3,627,162	1,380	2,628	1,480,849	41%	163,222	30,629	14,050	(16,579)	
AM	0	45,676,573	44,359	1,030	24,732,723	54%	2,055,446	-	-	-	
AM	1	9,393,766	12,447	755	5,314,992	57%	422,719	28,181	31,118	2,936	
AM	2	6,503,903	7,194	904	3,962,805	61%	292,676	36,584	35,970	(614)	
AM	3	6,575,132	6,987	941	4,050,931	62%	295,881	51,779	52,403	623	
AM	4	5,908,871	5,888	1,004	3,088,649	52%	265,899	57,611	58,880	1,269	
AM	5	6,442,874	6,206	1,038	4,717,797	73%	289,929	72,482	77,575	5,093	
AM	6	7,800,364	6,952	1,122	4,174,504	54%	351,016	96,530	104,280	7,750	
AM	7	14,013,733	11,430	1,226	8,689,419	62%	630,618	183,930	200,025	16,095	
AM	8	74,510,888	52,137	1,429	40,937,821	55%	3,352,990	1,005,897	1,042,740	36,843	
	TOTAL	176,826,104	153,600	1,151	99,669,641	56%	7,957,175	1,532,995	1,602,990	69,995	
BO	0	14,222,181	6,794	2,093	3,908,769	27%	639,998	-	-	-	
BO	1	3,362,866	1,488	2,260	732,393	22%	151,329	10,089	3,720	(6,369)	
BO	2	2,552,383	1,190	2,145	384,339	15%	114,857	14,357	5,950	(8,407)	
BO	3	6,616,563	2,846	2,325	3,124,500	47%	297,745	52,105	21,345	(30,760)	
BO	4	1,140,004	323	3,529	176,459	15%	51,300	11,115	3,230	(7,885)	
BO	5	996,020	298	3,342	98,256	10%	44,821	11,205	3,725	(7,480)	
BO	6	1,537,367	334	4,603	808,763	53%	69,182	19,025	5,010	(14,015)	
BO	7	4,175,525	694	6,017	1,577,827	38%	187,899	54,804	12,145	(42,659)	
BO	8	15,346,928	2,583	5,942	2,327,113	15%	690,612	207,184	51,660	(155,524)	
	TOTAL	49,949,837	16,550	3,018	13,138,419	26%	2,247,743	379,884	106,785	(273,099)	
FP	0	13,997,779	15,954	877	6,083,514	43%	629,900	-	-	-	
FP	1	1,184,004	1,549	764	489,611	41%	53,280	3,552	3,873	320	
FP	2	1,261,228	1,462	863	819,507	65%	56,755	7,094	7,310	216	
FP	3	4,599,196	4,577	1,005	1,312,197	29%	206,964	36,219	34,328	(1,891)	
FP	4	4,080	4	1,020	-	0%	184	40	40	0	
FP	5	1,004	1	1,004	-	0%	45	11	13	1	
FP	6	1,194	2	597	-	0%	54	15	30	15	
FP	7	2,466	3	822	-	0%	111	32	53	20	
FP	8	13,564	17	798	-	0%	610	183	340	157	
	TOTAL	21,064,515	23,569	894	8,704,829	41%	947,903	47,146	45,985	(1,161)	

HP	0	147,162,611	178,246	826	60,803,245	41%	6,622,317	-	-	-
HP	1	11,157,682	15,483	721	5,123,802	46%	502,096	33,473	38,708	5,234
HP	2	12,912,606	16,777	770	7,876,872	61%	581,067	72,633	83,885	11,252
HP	3	58,321,106	66,964	871	20,285,482	35%	2,624,450	459,279	502,230	42,951
HP	4	30,912	37	835	-	0%	1,391	301	370	69
HP	5	38,865	48	810	2,133	5%	1,749	437	600	163
HP	6	34,973	41	853	-	0%	1,574	433	615	182
HP	7	82,305	87	946	10,634	13%	3,704	1,080	1,523	442
HP	8	272,130	275	990	109,817	40%	12,246	3,674	5,500	1,826
	TOTAL	230,013,190	277,958	828	94,211,985	41%	10,350,594	571,311	633,430	62,119
WC	0	335,311	443	757	24,957	7%	15,089	-	-	-
WC	1	92,258	91	1,014	9,811	11%	4,152	277	228	(49)
WC	2	62,394	73	855	3,736	6%	2,808	351	365	14
WC	3	148,821	142	1,048	103,164	69%	6,697	1,172	1,065	(107)
WC	4	10,871	5	2,174	-	0%	489	106	50	(56)
WC	5	4,870	2	2,435	-	0%	219	55	25	(30)
WC	6	4,051	6	675	-	0%	182	50	90	40
WC	7	38,687	13	2,976	6,446	17%	1,741	508	228	(280)
WC	8	43,705	17	2,571	15,739	36%	1,967	590	340	(250)
	TOTAL	740,968	792	936	163,853	22%	33,344	3,108	2,390	(718)
All	0	222,251,978	246,177	903	95,734,439	43%	10,001,339	-	-	-
	1	25,489,947	31,179	818	11,781,845	46%	1,147,048	76,470	77,948	1,478
	2	23,510,838	26,769	878	13,074,919	56%	1,057,988	132,248	133,845	1,597
	3	76,385,990	81,574	936	28,924,846	38%	3,437,370	601,540	611,805	10,265
	4	7,213,642	6,320	1,141	3,398,391	47%	324,614	70,333	63,200	(7,133)
	5	7,611,410	6,618	1,150	4,919,852	65%	342,513	85,628	82,725	(2,903)
	6	9,637,617	7,432	1,297	5,067,117	53%	433,693	119,266	111,480	(7,786)
	7	18,763,789	12,389	1,515	10,771,739	57%	844,371	246,275	216,808	(29,467)
	8	91,356,565	55,391	1,649	43,696,428	48%	4,111,045	1,233,314	1,107,820	(125,494)
Grand Total		482,221,776	473,849	1,018	217,369,576	45%	21,699,980	2,565,073	2,405,630	(159,443)

Policy Prefix - AF=Commercial Auto, AM=Personal Auto; BO=Businessowners; FP=Dwelling Fire; HP=Homeowners; WC=Work Comp

SERFF Tracking Number: QUEN-126571309 State: Massachusetts
 Filing Company: Quincy Mutual Fire Insurance Company State Tracking Number: 10APR07-309
 Company Tracking Number:
 TOI: 19.0 Personal Auto Sub-TOI: 19.0000 Personal Auto Combinations
 Product Name: Installment Fees
 Project Name/Number: MA Auto Installment Fee Change/

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
04/05/2010	Rate and Rule	Agency Guide	04/08/2010	proposed changes 6-1-10.pdf (Superseded)
04/05/2010	Supporting Document	Side by Side Comparison	04/08/2010	tracked changes 6-1-10.pdf (Superseded)



Quincy Mutual Fire Insurance Company

ACCOUNTING

7.0

Contacts

01-01-03

Your contacts in the Accounting Department are:

Senior Vice President Finance & Treasurer

Tom Harris

Controller

Lisa Schooley

Direct Bill Commission Statements

Lauren Leydon

Direct Bill Payment Processing

Lauren Leydon

Agents' Accounts

Sharon Fitzgerald and

Maureen O'Loughlin



Quincy Mutual Fire Insurance Company

ACCOUNTING

7.1

Quincy Account Current

01-01-03

Each month Quincy Mutual will post your Account Current on our Quincy Online website. Payment on this account is the **preferred** method.

Your Quincy account will include all transactions processed for the month which includes:

- New/Renewal Premiums
- Additional/Return Premium Endorsements
- Cancellations
- Net Balance Due

and will be posted by Monday morning following each month end.

If you find differences from your records,

let us know and we will make adjustments to your account NEXT month.



Quincy Mutual Fire Insurance Company

ACCOUNTING

7.2

Quincy Account Current

08-01-01

If you must pay by your account, please submit your statement to Quincy Mutual by the 10th day of the following month.

We will:

compare your account with ours

report differences to you using the Producer Account Discrepancy Memo

expect you to pay the Net Balance Due on the Agency Account Current

You should make any corrections to your account in the next accounting month.



Quincy Mutual Fire Insurance Company

ACCOUNTING

7.3

Agent Account Payment

08-01-01

Agent Account payments are due according to the terms of your Agency Agreement.

prepare your check

- for the BALANCE DUE on our account for the month or on your account for the month
- include your agency # and the month being paid on your check

mail your check

to Account Current

- Quincy Mutual Fire Insurance
Quincy, MA 02269-9155

Make your payment for the BALANCE DUE on the Quincy or Agency Account without changes. This will avoid delays and unnecessary correspondence.



Quincy Mutual Fire Insurance Company

ACCOUNTING

7.4

Direct Bill

03-20-06

Quincy Mutual offers your customers a comprehensive direct bill payment plan. The success of this program depends on the accuracy of the information that is provided on the policy application and/or renewal listings.

Agents will receive copies of all Intent to Cancel Notices, Reinstatements and Final Cancellation Memos.

Standard Direct Bill Procedures

a Premium Invoice is sent to the Insured or Mortgagee if applicable. If premium is not received,

an Intent to Cancel notice is sent to the Insured, Mortgagee, Additional Insured and Agent.

a Reinstatement Notice is sent if payment is received after the Intent to Cancel is sent, but before the effective date of cancellation to those who received the Intent to Cancel.

a Final Cancellation Memo is sent to notify the Agent that payment was not received and the policy has been cancelled for nonpayment.

a Premium Invoice for earned premium due on a cancelled policy is sent to the Insured, Agent and Mortgagee, if applicable.

Reinstatement may also be acceptable after the effective date of cancellation, if the overdue installment is received and approved by an Underwriter.

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If there are unbilled installments, and:

If the Endorsement is a credit and effective on the effective date, then the reduction in premium will be spread over all installments, including those that have already been billed. Please see page 7.5.2 for an example of this.

If the Endorsement does not fall under the scenario above, then it will be spread out evenly over the remaining installments, regardless of whether it is additional premium or a reduction in premium. Please see page 7.5.3 for an example of this.



Quincy Mutual Fire Insurance Company

ACCOUNTING

7.4.1

Direct Bill

10-15-06

Commissions are paid to the Agent on a Written Premium basis as shown on the monthly Direct Bill Commission Statement as posted on the Quincy Online website.

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For Massachusetts Automobile policies, enter AMV or AFV followed by a six-digit number. Do not enter the leading zero in a seven-digit number following.

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Direct Bill Payment Plans

06-01-10

Please identify on the application whether Premium Invoices are to be sent to the Insured or Mortgagee.

Your Insured has the following payment options:
(Please note each plan's applicability to the type of policy.)

A. One Payment

This option is typically used for Mortgagee billed policies. Payment in full, due on inception date with no service charge.

B. Four Payments

This option is available on all lines of business.

Twenty Five percent (25%) due on inception date or with application.

Three additional equal installments (25%) billed at 60 day intervals.

Four dollar (\$6.00) service charge per installment.

C. Nine Payments

This option is available for all lines of business.

Twenty percent (20%) due on inception date or with application.

Eight additional equal installments of (10%) billed at 30 day intervals.

Four dollar (\$6.00) service charge per installment.

D. Twelve Payments

This option is only available for EFT policies.

Installments will be spread evenly for the first year at 30 day intervals (this typically means 10 or 11 equal installments in the first year depending on the date the application is processed). Future terms will renew with 12 equal installments.

No Service Charge.

Notes:

Customers that sign up for EFT will automatically be renewed as a 12-pay.

Cancellation Notices for EFT policies must be paid with an alternative payment method. An automatic withdrawal will not be processed. EFT will resume after policy is reinstated.

The installment service charge is \$ 2.00 for customers that sign up to receive e-Bills through CheckFree.

Late Fee

A fee of \$25 will be applied to the second and any subsequent Cancellation Pending Notice for each policy term on MA Personal Auto policies, and \$ 20 for all other MA lines of business.

Insufficient Funds Processing (Bounced Checks)

Checks and electronic payments not honored by a financial institution are subject to a processing fee of \$25.00 for Massachusetts Auto Insurance Plan (MAIP) policies and \$20.00 for all other. Future payments may require a Cashier's or Certified Check. When a payment that reinstated a policy is not honored, we will rescind the notice of reinstatement and cancel the policy on the original date of cancellation.



Quincy Mutual Fire Insurance Company

ACCOUNTING

7.5.1

Direct Bill – Examples

06-01-10

SAMPLE OF HOW THE PLAN WORKS

Policy effective 1-01-06
 Policy premium \$1,000
 Application Plan selected 60 days prior to expiration for renewal policies.
 Plan selected 35 days prior to effective date for new policies.

Payment Plan	Payment	Bill Sent	Due	Premium Amount	Service Charges
Four Payments*	Down Payment	11-Dec-05	01-Jan-06	\$250.00	
	1st Installment	09-Feb-06	01-Mar-06	\$250.00	\$6.00
	2nd Installment	10-Apr-06	30-Apr-06	\$250.00	\$6.00
	3rd Installment	09-Jun-06	29-Jun-06	\$250.00	\$6.00
Total				\$1,000.00	\$ 18.00

Nine Payments*	Down Payment	11-Dec-05	01-Jan-06	\$200.00	
	1st Installment	10-Jan-06	30-Jan-06	\$100.00	\$6.00
	2nd Installment	09-Feb-06	01-Mar-06	\$100.00	\$6.00
	3rd Installment	11-Mar-06	31-Mar-06	\$100.00	\$6.00
	4th Installment	10-Apr-06	30-Apr-06	\$100.00	\$6.00
	5th Installment	10-May-06	30-May-06	\$100.00	\$6.00
	6th Installment	09-Jun-06	29-Jun-06	\$100.00	\$6.00
	7th Installment	09-Jul-06	29-Jul-06	\$100.00	\$6.00
	8th Installment	08-Aug-06	28-Aug-06	\$100.00	\$6.00
Total				\$1,000.00	\$ 48.00

* Premium invoices on Connecticut Renewal Policies are mailed approximately 31 days prior to the effective date of the renewal policy. All other states renewal premium invoices are mailed approximately 21 days prior to the effective date of the renewal policy.



Quincy Mutual Fire Insurance Company

ACCOUNTING

7.5.2

Direct Bill - Examples

06-01-10

Sample of how an effective date Return Premium Endorsement works:

Policy Effective 1/1/2006
 Policy Premium \$ 1,000
 Endorsement Premium (\$ 400.00)
(Processed on 1/8/06, effective 1/1/06)

Prior To Endorsement:

Payment Plan	Payment	Bill Sent	Due	Premium	Service Charges	Endorsement Amount	Minimum Due
Four Payments	Down Payment	12/11/2005	1/1/2006	\$250.00	\$0.00	\$0.00	\$250.00
	1 st Installment	2/9/2006	3/2/2006	\$250.00	\$6.00	\$0.00	\$256.00
	2 nd Installment	4/10/2006	5/1/2006	\$250.00	\$6.00	\$0.00	\$256.00
	3 rd Installment	6/9/2006	6/30/2006	\$250.00	\$6.00	\$0.00	\$256.00

After Endorsement:

Payment Plan	Payment	Bill Sent	Due	Premium	Service Charges	Endorsement Amount	Minimum Due
Four Payments	Down Payment	12/11/2005	1/1/2006	\$250.00	\$0.00	-\$100.00	\$150.00
	1 st Installment	2/9/2006	3/2/2006	\$250.00	\$6.00	-\$100.00	\$156.00
	2 nd Installment	4/10/2006	5/1/2006	\$250.00	\$6.00	-\$100.00	\$156.00
	3 rd Installment	6/9/2006	6/30/2006	\$250.00	\$6.00	-\$100.00	\$156.00



Quincy Mutual Fire Insurance Company

ACCOUNTING

7.5.3

Direct Bill – Examples

06-01-10

Sample of how a non-effective date Additional Premium Endorsement works:

Policy Effective 1/1/2006
 Policy Premium \$ 1,000
 Endorsement Premium (\$ 400.00)
(Processed on 2/10/06, effective 2/1/06)

Payment Plan	Payment	Bill Sent	Due	Premium	Service Charges	Endorsement Amount	Minimum Due
Four Payments	Down Payment	12/11/2005	1/1/2006	\$250.00	\$0.00	\$0.00	\$250.00
	1 st Installment	2/9/2006	3/2/2006	\$250.00	\$6.00	\$0.00	\$256.00
	2 nd Installment	4/10/2006	5/1/2006	\$250.00	\$6.00	\$200.00	\$456.00
	3 rd Installment	6/9/2006	6/30/2006	\$250.00	\$6.00	\$200.00	\$456.00

Total Premium + Service Charges \$ 1,418.00

Sample of how a non-effective date Return Premium Endorsement works:

Policy Effective 1/1/2006
 Policy Premium \$ 1,000
 Endorsement Premium (\$ 300.00)
(Processed on 2/10/06, effective 2/1/06)

Payment Plan	Payment	Bill Sent	Due	Premium	Service Charges	Endorsement Amount	Minimum Due
Nine Payments	Down Payment	12/11/2005	1/1/2006	\$200.00	\$0.00	\$0.00	\$200.00
	1 st Installment	1/10/2006	1/31/2006	\$100.00	\$6.00	\$0.00	\$106.00
	2 nd Installment	2/9/2006	3/2/2006	\$100.00	\$6.00	\$0.00	\$106.00
	3 rd Installment	3/11/2006	4/1/2006	\$100.00	\$6.00	-\$50.00	\$56.00
	4 th Installment	4/10/2006	5/1/2006	\$100.00	\$6.00	-\$50.00	\$56.00
	5 th Installment	5/10/2006	5/31/2006	\$100.00	\$6.00	-\$50.00	\$56.00
	6 th Installment	6/9/2006	6/30/2006	\$100.00	\$6.00	-\$50.00	\$56.00
	7 th Installment	7/9/2006	7/30/2006	\$100.00	\$6.00	-\$50.00	\$56.00
	8 th Installment	8/8/2006	8/29/2006	\$100.00	\$6.00	-\$50.00	\$56.00

Total Premium + Service Charges \$ 748.00



Quincy Mutual Fire Insurance Company

ACCOUNTING

7.0

Contacts

01-01-03

Your contacts in the Accounting Department are:

Senior Vice President Finance & Treasurer

Tom Harris

Controller

Lisa Schooley

Direct Bill Commission Statements

Lauren Leydon

Direct Bill Payment Processing

Lauren Leydon

Agents' Accounts

Sharon Fitzgerald and

Maureen O'Loughlin



Quincy Mutual Fire Insurance Company

ACCOUNTING

7.1

Quincy Account Current

01-01-03

Each month Quincy Mutual will post your Account Current on our Quincy Online website. Payment on this account is the **preferred** method.

Your Quincy account will include all transactions processed for the month which includes:

- New/Renewal Premiums
- Additional/Return Premium Endorsements
- Cancellations
- Net Balance Due

and will be posted by Monday morning following each month end.

If you find differences from your records,

let us know and we will make adjustments to your account NEXT month.



Quincy Mutual Fire Insurance Company

ACCOUNTING

7.2

Quincy Account Current

08-01-01

If you must pay by your account, please submit your statement to Quincy Mutual by the 10th day of the following month.

We will:

- compare your account with ours

- report differences to you using the Producer Account Discrepancy Memo

- expect you to pay the Net Balance Due on the Agency Account Current

You should make any corrections to your account in the next accounting month.



Quincy Mutual Fire Insurance Company

ACCOUNTING

7.3

Agent Account Payment

08-01-01

Agent Account payments are due according to the terms of your Agency Agreement.

prepare your check

- for the BALANCE DUE on our account for the month or on your account for the month
- include your agency # and the month being paid on your check

mail your check

to Account Current

- Quincy Mutual Fire Insurance
Quincy, MA 02269-9155

Make your payment for the BALANCE DUE on the Quincy or Agency Account without changes. This will avoid delays and unnecessary correspondence.



Quincy Mutual Fire Insurance Company

ACCOUNTING

7.4

Direct Bill

03-20-06

Quincy Mutual offers your customers a comprehensive direct bill payment plan. The success of this program depends on the accuracy of the information that is provided on the policy application and/or renewal listings.

Agents will receive copies of all Intent to Cancel Notices, Reinstatements and Final Cancellation Memos.

Standard Direct Bill Procedures

a Premium Invoice is sent to the Insured or Mortgagee if applicable. If premium is not received,

an Intent to Cancel notice is sent to the Insured, Mortgagee, Additional Insured and Agent.

a Reinstatement Notice is sent if payment is received after the Intent to Cancel is sent, but before the effective date of cancellation to those who received the Intent to Cancel.

a Final Cancellation Memo is sent to notify the Agent that payment was not received and the policy has been cancelled for nonpayment.

a Premium Invoice for earned premium due on a cancelled policy is sent to the Insured, Agent and Mortgagee, if applicable.

Reinstatement may also be acceptable after the effective date of cancellation, if the overdue installment is received and approved by an Underwriter.

Endorsements

If there are unbilled installments, and:

If the Endorsement is a credit and effective on the effective date, then the reduction in premium will be spread over all installments, including those that have already been billed. Please see page 7.5.2 for an example of this.

If the Endorsement does not fall under the scenario above, then it will be spread out evenly over the remaining installments, regardless of whether it is additional premium or a reduction in premium. Please see page 7.5.3 for an example of this.



Quincy Mutual Fire Insurance Company

ACCOUNTING

7.4.1

Direct Bill

10-15-06

Commissions are paid to the Agent on a Written Premium basis as shown on the monthly Direct Bill Commission Statement as posted on the Quincy Online website.

Payment of commissions by Quincy Mutual may be paid by direct deposit (ACH) to a specified bank account or by check.

24-Hour Billing Inquiry

Information regarding the billing status of a policy may be obtained from the Quincy Online website for Agents Only or by calling 1-877-796-6803 or 617-770-5140. At the prompt, enter the full policy number, including letters followed by the # key.

For Massachusetts Automobile policies, enter AMV or AFV followed by a six-digit number. Do not enter the leading zero in a seven-digit number following.

EFT

Customers may have their payments automatically deducted from their bank account via EFT. Sign up forms are available on QuincyMutual.com under the "Billing" tab.

View and Pay Online

Personal Lines Customers can view and pay their bills via the Internet. They can access this feature by following the link from QuincyMutual.com to MyCheckFree.

If you have any questions, please contact your Marketing Representative or our Customer Service Department at 800-899-1116 X: 5390.

Personal Lines Customers can now view and pay their bills via the Internet. They can access this feature by following the link to MyCheckFree via QuincyMutual.com.

If you have any questions, please contact your Marketing Representative or our Customer Service Department at 800-899-1116 X: 5390.



Direct Bill Payment Plans

~~10-01-08~~
06-01-10

Please identify on the application whether Premium Invoices are to be sent to the Insured or Mortgagee.

Your Insured has the following payment options:
(Please note each plan's applicability to the type of policy.)

A. One Payment

This option is typically used for Mortgagee billed policies. Payment in full, due on inception date with no service charge.

B. Four Payments

This option is available on all lines of business.

Twenty Five percent (25%) due on inception date or with application.

Three additional equal installments (25%) billed at 60 day intervals.

Four dollar (\$~~46~~.00) service charge per installment.

C. Nine Payments

This option is available for all lines of business.

Twenty percent (20%) due on inception date or with application.

Eight additional equal installments of (10%) billed at 30 day intervals.

Four dollar (\$~~46~~.00) service charge per installment.

D. Twelve Payments

This option is only available for EFT policies.

Installments will be spread evenly for the first year at 30 day intervals (this typically means 10 or 11 equal installments in the first year depending on the date the application is processed). Future terms will renew with 12 equal installments.

No Service Charge.

Notes:

Customers that sign up for EFT will automatically be renewed as a 12-pay.

Cancellation Notices for EFT policies must be paid with an alternative payment method. An automatic withdrawal will not be processed. EFT will resume after policy is reinstated.

The installment service charge is \$ 2.00 for customers that sign up to receive e-Bills through CheckFree.

Late Fee

A fee of \$25 will be applied to the second and any subsequent Cancellation Pending Notice for each policy term on MA Personal Auto policies, and \$ 20 for all other MA lines of business.

Insufficient Funds Processing (Bounced Checks)

Checks and electronic payments not honored by a financial institution are subject to a processing fee of \$25.00 for Massachusetts Auto Insurance Plan (MAIP) policies and \$20.00 for all other. Future payments may require a Cashier's or Certified Check. When a payment that reinstated a policy is not honored, we will rescind the notice of reinstatement and cancel the policy on the original date of cancellation.



Quincy Mutual Fire Insurance Company

ACCOUNTING

7.5.1

Direct Bill - Examples

~~09-21-07~~
06-01-10

SAMPLE OF HOW THE PLAN WORKS

Policy effective 1-01-06
 Policy premium \$1,000
 Application Plan selected 60 days prior to expiration for renewal policies.
 Plan selected 35 days prior to effective date for new policies.

Payment Plan	Payment	Bill Sent	Due	Premium Amount	Service Charges
Four Payments*	Down Payment	11-Dec-05	01-Jan-06	\$250.00	
	1st Installment	09-Feb-06	01-Mar-06	\$250.00	\$46.00
	2nd Installment	10-Apr-06	30-Apr-06	\$250.00	\$46.00
	3rd Installment	09-Jun-06	29-Jun-06	\$250.00	\$46.00
Total				\$1,000.00	\$121.80

Nine Payments*	Down Payment	11-Dec-05	01-Jan-06	\$200.00	
	1st Installment	10-Jan-06	30-Jan-06	\$100.00	\$46.00
	2nd Installment	09-Feb-06	01-Mar-06	\$100.00	\$46.00
	3rd Installment	11-Mar-06	31-Mar-06	\$100.00	\$46.00
	4th Installment	10-Apr-06	30-Apr-06	\$100.00	\$46.00
	5th Installment	10-May-06	30-May-06	\$100.00	\$46.00
	6th Installment	09-Jun-06	29-Jun-06	\$100.00	\$46.00
	7th Installment	09-Jul-06	29-Jul-06	\$100.00	\$46.00
	8th Installment	08-Aug-06	28-Aug-06	\$100.00	\$46.00
Total				\$1,000.00	\$324.80

* Premium invoices on Connecticut Renewal Policies are mailed approximately 31 days prior to the effective date of the renewal policy. All other states renewal premium invoices are mailed approximately 21 days prior to the effective date of the renewal policy.



Quincy Mutual Fire Insurance Company

ACCOUNTING

7.5.2

Direct Bill - Examples

~~03-20-06~~

06-01-10

Sample of how an effective date Return Premium Endorsement works:

Policy Effective 1/1/2006
 Policy Premium \$ 1,000
 Endorsement Premium (\$ 400.00)
(Processed on 1/8/06, effective 1/1/06)

Prior To Endorsement:

Payment Plan	Payment	Bill Sent	Due	Premium	Service Charges	Endorsement Amount	Minimum Due
Four Payments	Down Payment	12/11/2005	1/1/2006	\$250.00	\$0.00	\$0.00	\$250.00
	1 st Installment	2/9/2006	3/2/2006	\$250.00	\$46.00	\$0.00	\$254256.00
	2 nd Installment	4/10/2006	5/1/2006	\$250.00	\$46.00	\$0.00	\$254256.00
	3 rd Installment	6/9/2006	6/30/2006	\$250.00	\$46.00	\$0.00	\$254256.00

After Endorsement:

Payment Plan	Payment	Bill Sent	Due	Premium	Service Charges	Endorsement Amount	Minimum Due
Four Payments	Down Payment	12/11/2005	1/1/2006	\$250.00	\$0.00	-\$100.00	\$150.00
	1 st Installment	2/9/2006	3/2/2006	\$250.00	\$46.00	-\$100.00	\$154156.00
	2 nd Installment	4/10/2006	5/1/2006	\$250.00	\$46.00	-\$100.00	\$154156.00
	3 rd Installment	6/9/2006	6/30/2006	\$250.00	\$46.00	-\$100.00	\$154156.00



Quincy Mutual Fire Insurance Company

ACCOUNTING

7.5.3

Direct Bill - Examples

03-20-06
06-01-10

Sample of how a non-effective date Additional Premium Endorsement works:

Policy Effective 1/1/2006
Policy Premium \$ 1,000
Endorsement Premium (\$ 400.00)
(Processed on 2/10/06, effective 2/1/06)

Payment Plan	Payment	Bill Sent	Due	Premium	Service Charges	Endorsement Amount	Minimum Due
Four Payments	Down Payment	12/11/2005	1/1/2006	\$250.00	\$0.00	\$0.00	\$250.00
	1 st Installment	2/9/2006	3/2/2006	\$250.00	\$46.00	\$0.00	\$254 256.00
	2 nd Installment	4/10/2006	5/1/2006	\$250.00	\$46.00	\$200.00	\$454 456.00
	3 rd Installment	6/9/2006	6/30/2006	\$250.00	\$46.00	\$200.00	\$454 456.00

Total Premium + Service Charges \$1,412 1,418.00

Sample of how a non-effective date Return Premium Endorsement works:

Policy Effective 1/1/2006
Policy Premium \$ 1,000
Endorsement Premium (\$ 300.00)
(Processed on 2/10/06, effective 2/1/06)

Payment Plan	Payment	Bill Sent	Due	Premium	Service Charges	Endorsement Amount	Minimum Due
Nine Payments	Down Payment	12/11/2005	1/1/2006	\$200.00	\$0.00	\$0.00	\$200.00
	1 st Installment	1/10/2006	1/31/2006	\$100.00	\$46.00	\$0.00	\$104 106.00
	2 nd Installment	2/9/2006	3/2/2006	\$100.00	\$46.00	\$0.00	\$104 106.00
	3 rd Installment	3/11/2006	4/1/2006	\$100.00	\$46.00	-\$50.00	\$54 56.00
	4 th Installment	4/10/2006	5/1/2006	\$100.00	\$46.00	-\$50.00	\$54 56.00
	5 th Installment	5/10/2006	5/31/2006	\$100.00	\$46.00	-\$50.00	\$54 56.00
	6 th Installment	6/9/2006	6/30/2006	\$100.00	\$46.00	-\$50.00	\$54 56.00
	7 th Installment	7/9/2006	7/30/2006	\$100.00	\$46.00	-\$50.00	\$54 56.00
	8 th Installment	8/8/2006	8/29/2006	\$100.00	\$46.00	-\$50.00	\$54 56.00

Total Premium + Service Charges \$732 748.00