

Billing Guidelines

Description

This section contains the following billing-related topics:

- Billing Methods
 - Safety Advantage
 - Payment Options
 - Billing and Other Charges
 - Due Dates
 - Installment Amounts
 - Endorsement Premiums
 - Billing-Related Cancellations
 - Uncollected Premium Bad Debts
 - Refunds
 - Renewals
 - Book Transfers
 - Combined Bill
-

Billing Methods

Safety offers Direct and Combined Bill billing methods. In the Direct Bill and Combined Bill methods, Safety takes care of all aspects of billing.

If the insured selects Direct Bill or Combined Bill methods, policyholders may submit payments through your office. For more information, refer to the section in this manual entitled Collecting Payments.

Policies that are financed by a premium finance agency are not eligible to participate in Safety's Direct Bill and Combined Bill billing methods. A copy of our "Procedures and Instructions Related to Premium Financing" can be found in the *Manuals* section of the AVC. Please contact your Billing Analyst for questions related to the Procedures and Instructions.

Safety Advantage

With Safety Advantage, policyholders can have payments electronically withdrawn from a bank account. Under this program, Safety waives monthly installment fees.

To enroll, the owner of the bank account must complete the Safety Advantage Authorization Form, which is available in the *Agent Forms* section of the AVC. The applicant is asked to provide a voided check, select a monthly withdrawal date (from 1 to 28) and indicate the number of consecutive transactions over which they want to spread the payments (2 through 9).

Continued on next page

Billing Guidelines, Continued

Payment Options

Policyholders can pay for their premium in full or in 10 monthly installments.

New business requires a down payment of 20% of the premium.

The installment payment plan is automatically invoked if the full amount is not paid on the first bill. The plan is designed so that the premium is paid in full during the tenth month of the policy term.

If the policyholder has been cancelled for non-payment of premium within the prior 24 months, then a down payment of 100% of the premium is required.

Billing Charges

Billing charges are assessed if the premium is not paid in full by its due date.

Policyholders can avoid monthly billing charges by signing up for Safety Advantage, the program which automatically deducts payments from a bank account.

For qualified policyholders who wish to pay in installments, Safety’s guidelines for billing charges are as follows:

| - Total Point Value - Sum of SDIP points assigned to each vehicle | | | | | | |
|--|---|----|----|-----|-----|-----|
| | | 1 | 2 | 3 | 4 | 5 + |
| Vehicles | 1 | SF | SF | F/C | F/C | F/C |
| | 2 | SF | SF | SF | F/C | F/C |
| | 3 | SF | SF | SF | SF | F/C |
| | 4 | SF | SF | SF | SF | SF |

SF = \$6.00 ~ F/C = 15% APR

Note: In order for our Billing System to calculate total points assigned to each vehicle, point value 98 is converted to -1, and point value 99 is converted to -2. Example: vehicle 1 assigned to a driver with a point value of 99, and vehicle 2 assigned to a driver with a point value of 5. Total points (-2 plus 5) is equal to 3, therefore Finance Charges will apply.

Continued on next page

Billing Guidelines, Continued

Other Charges Policyholders may be assessed the following charges on returned (for stop payment, non-sufficient funds, account closed, etc.) or late payments.

| Type | Description |
|-------------------------|--|
| Returned Payment Charge | A \$25.00 service charge is automatically assessed whenever the bank doesn't honor a policyholder's payment |
| Late Charge | If a payment is not received within 10 days after the due date, a \$25.00 late charge is assessed |

Due Dates Policyholders will receive the first installment bill approximately 1 week after the policy inception or renewal date. Payments on installment bills are due on the same date each month (for example, the 20th). Due dates are assigned when the policy is produced or renewed.

Installment Amounts The installment amount is determined by the account balance, divided by the number of installments remaining, rounded to the nearest whole dollar amount. All installment payments (except the last one) are subject to a \$35.00 minimum.

Endorsement Premiums Endorsement premiums do not change a pending installment payment. Subsequent bills will be adjusted accordingly.

Billing-Related Cancellations We mail cancellation notices via a Certificate of Mailing. To prevent cancellation, we require sufficient payment to bring the account balance up to date.

Continued on next page

Billing Guidelines, Continued**Uncollected
Premium Bad
Debts**

Safety handles uncollected premium bad debts as follows:

- All uncollected premium is immediately reported to the Registry of Motor Vehicles
 - A Billing Analyst reviews cancelled and expired policies having outstanding balances
 - The Billing Analyst mails final invoices to former policyholders who owe premium and allows 21 days for payment
 - Collection letters allowing 10 days for payment are mailed if final invoices remain unpaid
 - If the outstanding premium is still not paid by the due date on the collection letter, then the account is forwarded to a collection agency for further action
-

Refunds

Safety's refund guidelines are as follows:

- Refunds are issued every week
 - No refund is issued for less than \$2.00
 - Refunds are mailed to policyholders directly from Safety
 - Prior to Safety's mailing of refunds, you have the opportunity to review the records and make changes if necessary (See the sub-section titled Refund Listings in the Billing Reports section)
 - Refunds on premium-financed policies are issued and mailed directly to the premium finance agency
-

Continued on next page

Billing Guidelines, Continued

Renewals

Safety's billing practices regarding renewals are as follows:

- All direct bill policies are automatically renewed and billed by Safety
 - Policyholders are billed for 10 percent of their premium approximately one month prior to the renewal effective date (this bill is called a Prebill)
 - Prebill payments are due by the policy renewal date
 - If the Prebill payment is not received by the due date, then a Prebill Reminder is mailed after 10 days have passed. This bill is the final notification before a Notice of Cancellation is issued (approximately nine days later)
 - The Prebill will consider and include outstanding debit or credit balances
 - Safety will automatically renew agency-billed policies. Agents are responsible for billing and collecting premiums on these policies.
-

Book Transfers

In certain situations we can prebill policies that are submitted to Safety through a book transfer. Please contact your Marketing Representative for more information.

Combined Bill

Combined Bill offers policyholders the option to combine multiple Direct Bill personal lines policies into a single billing account.

Eligibility:

- At least 1 Auto and 1 Home, Dwelling Fire or Umbrella policy is required
 - All policies must be issued by the same agency
 - At least one policyholder must be a named policyholder on the policies that are to be combined or the policyholders are married to one another
-

Continued on next page

Billing Guidelines, Continued

Combined Bill, continued

- Policies independently owned by children, regardless of their legal/dependent status as minor or adult, are not eligible for Combined Bill
- Agency and mortgagee billed policies are not eligible for Combined Bill

Installment Plan:

- Combined Bill accounts begin with a prefix of CBA
- Policyholders may enroll at any time
- Policy effective dates need not be co-terminus
- All balance transfers and premium activities are individually scheduled over 10 or 5 installments depending upon the policy effective date of the associated policy
- Balance transfers and premium activities occurring from Day 1 to Day 180 of the policy term are scheduled over 10 installments
- Balance transfers and premium activities occurring from Day 181 to Day 365 of the policy term are scheduled over 5 installments
- Installment bills are issued on the 1st, 5th, 10th, 15th, 20th and 25th of each month – policyholders may choose their issue date
- If an installment bill issue date falls on a holiday, then the bill will be issued on the following business day or if on a weekend day, then it will be issued on the previous business day
- The minimum due on an installment bill consists of one installment from each unpaid premium activity plus any past due amounts
- Overpayments are applied to the account balance and do not automatically serve to reduce the next minimum due payment
- Installment bills are subject to a \$6 service fee
- Late payments are subject to a \$25 late fee
- Returned payments are subject to a \$25 penalty fee

Enrollment:

Complete the *Combined Bill Enrollment* form located in the “Agent Resources” section of the AVC.

Please contact your Billing Analyst for any questions with Combined Bill.

Payment Options

Methods

Lockbox: PO Box 371312, Pittsburgh PA 15250-7312

- Policyholder payments (1 check and 1 stub per envelope)

Safety: PO Box 55089, Boston MA 02205-5089

- Agent Web Pay “Other” payments

My Account (for policyholders)

- www.SafetyInsurance.com - policyholder registration required
- Safety Mobile App for Android or Apple devices (previous download and policyholder registration required)
- Policyholders may pay online using a personal or business checking account, a MasterCard or Visa credit card or a NYCE, Pulse, Star or Accel Exchange debit card
- The maximum daily check payment amount is \$20,000 and the maximum daily credit or debit card payment amount is \$10,000
- Available to policyholders, free of charge, 7 days a week except during scheduled maintenance on Fridays from 8:00 pm to 10:00 pm and on Saturdays from 10:30 pm to Sundays at 10:30 am
- Policyholders using ‘My Account’ may not pay more than the full balance due and are limited to 1 online payment per day per policy

Automated Telephone Payment System

- 800-951-2100 or 617-951-0600
 - Press Option 2, then press Option 1 (Note: These options are subject to change without notification to you)

Pay-by-Phone with Billing Representative

- 800-951-2100 or 617-951-0600 – ext. 3200
- Available Monday-Friday, 8:15 a.m. to 5:00 p.m.

Agent Web Pay

- Accessible through Powerdesk as “Process Payment”
- Agents may process electronic payments online using Policyholder, Agency, or Third Party payment methods including:
 - a personal or business checking account
 - a MasterCard or Visa credit card
 - a NYCE, Pulse, Star or Accel Exchange debit card
- Bank checks, money orders, and certain other payments need to continue to be mailed to Safety
- Written or verbal authorization required prior to electronically processing a payment
- For more information on processing payments through Agent Web Pay, please contact your Billing Analyst, a Billing Representative at ext. 3200 or view our online instructions available through the AVC

3rd Party Online Bill Pay (Home or Online Banking)

- Not a Safety program, but supported through daily electronic receipt of policyholder payments made through 3rd party online banking services
 - Payments are generally received within 24 to 48 hours of policyholder initiation
-

Text Comparison

Documents Compared

Microsoft Word - 13 PPAUTO billing 2009 Updated.pdf

MA PPA billing section update 040117.pdf

Summary

1051 word(s) added

1170 word(s) deleted

900 word(s) matched

Billing

Overview

This chapter contains three sections related to Safety's billing procedures and guidelines:

- Billing Guidelines
 - Billing Reports
 - Collecting Payments
-

Billing Guidelines

Description

This section contains the following billing-related topics:

- [Billing Methods](#)
 - [Safety Advantage](#)
 - [Payment Options](#)
 - [Billing and Other Charges](#)
 - [Due Dates](#)
 - [Installment Amounts](#)
 - [Endorsement Premiums](#)
 - [Billing-Related Cancellations](#)
 - [Uncollected Premium Bad Debts](#)
 - [Refunds](#)
 - [Renewals](#)
 - [Book Transfers](#)
 - [Combined Bill](#)
-

Billing Methods

Safety offers Direct [and Combined Bill billing methods](#). In the Direct Bill [and Combined Bill methods](#), Safety takes care of all aspects of [billing](#).

If the insured selects Direct Bill or [Combined Bill methods](#), policyholders may submit payments through your office. For more information, refer to the section in this manual [entitled Collecting Payments](#).

Policies that are financed by a premium finance [agency](#) are not eligible to participate in Safety's Direct Bill [and Combined Bill billing methods](#). [A copy of our "Procedures and Instructions Related to Premium Financing" can be found in the Manuals section of the AVC.](#) Please contact your Billing Analyst for [questions related to the Procedures and Instructions](#).

Safety Advantage

With Safety Advantage, policyholders can have payments electronically withdrawn from a [bank account](#). Under this program, Safety waives monthly [installment fees](#).

To [enroll](#), the owner of the bank account [must complete the Safety Advantage Authorization Form](#), which is available in the *Agent Forms* section of the AVC. The applicant [is](#) asked to provide a voided check, select a monthly withdrawal date (from 1 to 28) and indicate the number of [consecutive](#) transactions over which they want to spread [the payments](#) (2 through 9).

Continued on next page

~~Billing Guidelines~~~~Description~~

This section contains the following billing-related topics:

- Billing Methods
- Payment Options
- Billing Charges
- Due Dates
- Installment Amounts
- Endorsement Premiums
- Billing-related Cancellations
- Refunds
- Uncollected Premium Bad Debts
- Renewals
- Re-rates
- Book Transfers
- Converting Policies from Agency Bill to Direct Bill

~~Billing Methods~~

Safety offers ~~two billing methods: Agency Bill and Direct Bill. In the Agency Bill method, your agency is responsible for billing and collecting premiums.~~ In the Direct Bill ~~method, Safety takes care of all aspects of the billing process.~~

~~Even if you select the Direct Bill method, policyholders may still submit payments through your office. For more information, refer to the section in this manual titled Collecting Payments.~~

~~Policies that are financed by a premium finance company are not eligible to participate in Safety's Direct Bill program. Please contact your Billing Analyst for specific Procedures and Instructions related to premium financed policies.~~

~~Safety Advantage~~

With Safety Advantage, policyholders can have payments electronically withdrawn from ~~their bank accounts.~~ Under this program, Safety waives monthly ~~finance and service charges.~~

~~To join the program, the owner of the bank account completes a Safety Advantage application, which is available in the Agent Forms section of the AVC. The applicant will be asked to provide a voided check, select a monthly withdrawal date (from 1 to 28) and indicate the number of transactions over which they want to spread their payments (2 through 9).~~

Continued on next page

Billing Guidelines, Continued

Payment Options

Policyholders can pay for their premium in full or in 10 monthly installments.

New business requires a down payment of 20% of the premium.

The installment payment plan is automatically invoked if the full amount is not paid on the first bill. The plan is designed so that the premium is paid in full during the tenth month of the policy term.

If the policyholder has been cancelled for non-payment of premium within the prior 24 months, then a down payment of 100% of the premium is required.

Billing Charges

Billing charges are assessed if the premium is not paid in full by its due date.

Policyholders can avoid monthly billing charges by signing up for Safety Advantage, the program which automatically deducts payments from a bank account.

For qualified policyholders who wish to pay in installments, Safety’s guidelines for billing charges are as follows:

| - Total Point Value - | | | | | | |
|---|---|-----------|-----------|------------|------------|------------|
| Sum of <u>SDIP points assigned to each vehicle</u> | | | | | | |
| | | 1 | 2 | 3 | 4 | 5 + |
| Vehicles | 1 | <u>SF</u> | <u>SF</u> | <u>F/C</u> | <u>F/C</u> | <u>F/C</u> |
| | 2 | <u>SF</u> | <u>SF</u> | <u>SF</u> | <u>F/C</u> | <u>F/C</u> |
| | 3 | <u>SF</u> | <u>SF</u> | <u>SF</u> | <u>SF</u> | <u>F/C</u> |
| | 4 | <u>SF</u> | <u>SF</u> | <u>SF</u> | <u>SF</u> | <u>SF</u> |

SF = \$6.00 ~ F/C = 15% APR

Note: In order for our Billing System to calculate total points assigned to each vehicle, point value 98 is converted to -1, and point value 99 is converted to -2. Example: vehicle 1 assigned to a driver with a point value of 99, and vehicle 2 assigned to a driver with a point value of 5. Total points (-2 plus 5) is equal to 3, therefore Finance Charges will apply.

Continued on next page

Billing Guidelines, Continued

Payment Options

Policyholders can pay their premium in full or in monthly installments.

New business requires ~~20 percent for the~~ down ~~payment.~~

The installment payment plan is automatically ~~implemented~~ if the full amount is not paid on the first bill. The plan is designed so that the ~~policy~~ is paid in full during the tenth month of the policy ~~term~~.

If the policyholder has been cancelled for non-payment of premium within the prior 24 months, then ~~you are required to collect 100 percent~~ of the ~~premium.~~

Billing Charges

Billing charges ~~accrue~~ if the premium is not paid in full by its due date.

Policyholders can avoid monthly billing charges by signing up for Safety Advantage, ~~our electronic funds transfer program,~~ which automatically deducts payments from ~~banking accounts.~~

For policyholders who wish to pay in installments, Safety's guidelines for billing charges are as follows:

| # of Vehicles | Finance Charges - 15% APR | Service Fees - \$6.00* |
|-----------------------|---------------------------|--------------------------|
| 1 Vehicle | Total Points 2 and Higher | Total Points 1 and Lower |
| 2 Vehicles | Total Points 3 and Higher | Total Points 2 and Lower |
| 3 Vehicles | Total Points 4 and Higher | Total Points 3 and Lower |
| 4 Vehicles | Total Points 5 and Higher | Total Points 4 and Lower |

Note: In order for our Billing System to calculate total points assigned to each vehicle, point value 98 ~~was~~ converted to ~~-1~~, and point value 99 ~~was~~ converted to ~~-2~~. Example: vehicle 1 assigned to a driver with a point value of 99, and vehicle 2 assigned to a driver with a point value of 5. Total points (-2 plus 5) is equal to 3, therefore Finance Charges will apply.

Other Charges

Policyholders may be assessed the following charges on returned (for stop payment, ~~non-sufficient fund,~~ account closed, etc.) or late payments.

| Type | Description |
|-------------------------|---|
| Returned Payment Charge | A \$25.00* service charge is automatically assessed whenever the bank doesn't honor a policyholder's payment. In most cases, this charge is not added until after our bank has tried to process the returned payment twice. |
| Late Charge | If a payment is not received within 10 days after the due date, a \$25.00* late charge is assessed. If policy equity is poor, we will also issue a non-payment cancellation. |

* Effective 10/1/2009 New Business and Renewals

Continued on next page

Billing Guidelines, Continued

Other Charges Policyholders may be assessed the following charges on returned (for stop payment, non-sufficient funds, account closed, etc.) or late payments.

| Type | Description |
|-------------------------|--|
| Returned Payment Charge | A \$25.00 service charge is automatically assessed whenever the bank doesn't honor a policyholder's payment |
| Late Charge | If a payment is not received within 10 days after the due date, a \$25.00 late charge is <u>assessed</u> |

Due Dates Policyholders will receive the first installment bill approximately 1 week after the policy inception or renewal date. Payments on installment bills are due on the same date each month (for example, the 20th). Due dates are assigned when the policy is produced or renewed.

Installment Amounts The installment amount is determined by the account balance, divided by the number of installments remaining, rounded to the nearest whole dollar amount. All installment payments (except the last one) are subject to a \$35.00 minimum.

Endorsement Premiums Endorsement premiums do not change a pending installment payment. Subsequent bills will be adjusted accordingly.

Billing-Related Cancellations We mail cancellation notices via a Certificate of Mailing. To prevent cancellation, we require sufficient payment to bring the account balance up to date.

Continued on next page

~~**Billing Guidelines, Continued**~~

Due Dates Policyholders receive the first installment bill approximately 1 week after the policy inception or renewal date. Payments on installment bills are due on the same ~~day~~ each month (for example, the ~~20th of each month~~). Due dates are assigned when the policy is produced or renewed.

Installment Amounts The installment amount is determined by the ~~Premium Balance~~, divided by the number of ~~payments~~ remaining, rounded to the nearest whole dollar amount. All installment payments (except the last one) are subject to a \$35.00 minimum.

Endorsement Premiums Endorsement premiums do not change ~~the current bill~~. Subsequent bills will be adjusted accordingly.

~~Billing-related~~ Cancellations We mail cancellation notices via a Certificate of Mailing. To prevent cancellation, we require sufficient payment to bring the ~~premium~~ balance up to date.

Refunds ~~Safety's~~ refund guidelines are as follows:

- Refunds are issued every ~~week~~.
 - No refund is issued for less than ~~\$2.00~~.
 - Refunds are mailed to policyholders directly from ~~Safety~~.
 - Prior to ~~Safety's~~ mailing of refunds, you ~~will~~ have the opportunity to review the records and make ~~changes, if necessary, to policies with pending refunds~~. (See the sub-section titled Refund Listings in the Billing Reports ~~section~~.)
 - Refunds on premium-financed policies are issued and mailed directly to the premium finance ~~company~~.
-

Continued on next page

Billing Guidelines, Continued

Uncollected Premium Bad Debts

Safety handles uncollected premium bad debts as follows:

- All uncollected premium is immediately reported to the Registry of Motor Vehicles
- A Billing Analyst reviews cancelled and expired policies having outstanding balances
- The Billing Analyst mails final invoices to former policyholders who owe premium and allows 21 days for payment
- Collection letters allowing 10 days for payment are mailed if final invoices remain unpaid
- If the outstanding premium is still not paid by the due date on the collection letter, then the account is forwarded to a collection agency for further action

Refunds

Safety's refund guidelines are as follows:

- Refunds are issued every week
- No refund is issued for less than \$2.00
- Refunds are mailed to policyholders directly from Safety
- Prior to Safety's mailing of refunds, you have the opportunity to review the records and make changes if necessary (See the sub-section titled Refund Listings in the Billing Reports section)
- Refunds on premium-financed policies are issued and mailed directly to the premium finance agency

Continued on next page

Billing Guidelines, Continued

Uncollected Premium Bad Debts

Safety handles uncollected premium bad debts as follows:

- ~~A billing analyst reviews any cancelled and expired policies having outstanding balances.~~
 - ~~The analyst mails letters to former policyholders who owe premium and allows ten days for payment.~~
 - ~~All uncollected premium is immediately reported to the Registry of Motor Vehicles.~~
 - ~~If the outstanding premium is not paid, the account is forwarded to a collection agency for further action.~~
-

Renewals

Safety's billing practices regarding renewals are as follows:

- ~~All direct bill policies are automatically renewed and billed by Safety. Customers are billed for 10 percent of their premium approximately one month prior to the renewal effective date (this bill is called a prebill).~~
 - ~~Prebill payments are due by the policy renewal date. If the prebill payment is not received by the due date, a prebill reminder will be mailed within 10 days. This notice is the final notification before a cancellation is issued (approximately nine days later).~~
 - ~~The renewal bill includes any outstanding debit or credit balances.~~
 - ~~Safety automatically renews but does not bill agency-billed policies. Agents are responsible for billing and collecting premiums on these policies. For information about changing the billing method of a policy upon renewal, see the section titled Converting Policies from Agency Bill to Direct Bill.~~
-

Book Transfers

In certain situations we can prebill policies that are submitted to Safety through a book transfer. Please contact your Marketing Representative for more information.

Continued on next page

Billing Guidelines, Continued

Renewals

Safety's billing practices regarding renewals are as follows:

- All direct bill policies are automatically renewed and billed by Safety
 - Policyholders are billed for 10 percent of their premium approximately one month prior to the renewal effective date (this bill is called a Prebill)
 - Prebill payments are due by the policy renewal date
 - If the Prebill payment is not received by the due date, then a Prebill Reminder is mailed after 10 days have passed. This bill is the final notification before a Notice of Cancellation is issued (approximately nine days later)
 - The Prebill will consider and include outstanding debit or credit balances
 - Safety will automatically renew agency-billed policies. Agents are responsible for billing and collecting premiums on these policies.
-

Book Transfers

In certain situations we can prebill policies that are submitted to Safety through a book transfer. Please contact your Marketing Representative for more information.

Combined Bill

Combined Bill offers policyholders the option to combine multiple Direct Bill personal lines policies into a single billing account.

Eligibility:

- At least 1 Auto and 1 Home, Dwelling Fire or Umbrella policy is required
 - All policies must be issued by the same agency
 - At least one policyholder must be a named policyholder on the policies that are to be combined or the policyholders are married to one another
-

Continued on next page

Billing Guidelines, Continued

**Converting
Policies from
Agency Bill to
Direct Bill**

If you are an existing agent with Safety you can switch all of your policies or only selected policies from Agency Bill to Direct Bill.

To change all policies, contact your marketing representative two months before the changeover month.

To change selected policies, contact your underwriter two months before the changeover month.

Billing Guidelines, Continued

Combined Bill, continued

- Policies independently owed by children, regardless of their legal/dependent status as minor or adult, are not eligible for Combined Bill
- Agency and mortgagee billed policies are not eligible for Combined Bill

Installment Plan:

- Combined Bill accounts begin with a prefix of CBA
- Policyholders may enroll at any time
- Policy effective dates need not be co-terminus
- All balance transfers and premium activities are individually scheduled over 10 or 5 installments depending upon the policy effective date of the associated policy
- Balance transfers and premium activities occurring from Day 1 to Day 180 of the policy term are scheduled over 10 installments
- Balance transfers and premium activities occurring from Day 181 to Day 365 of the policy term are scheduled over 5 installments
- Installment bills are issued on the 1st, 5th, 10th, 15th, 20th and 25th of each month – policyholders may choose their issue date
- If an installment bill issue date falls on a holiday, then the bill will be issued on the following business day or if on a weekend day, then it will be issued on the previous business day
- The minimum due on an installment bill consists of one installment from each unpaid premium activity plus any past due amounts
- Overpayments are applied to the account balance and do not automatically serve to reduce the next minimum due payment
- Installment bills are subject to a \$6 service fee
- Late payments are subject to a \$25 late fee
- Returned payments are subject to a \$25 penalty fee

Enrollment:

Complete the *Combined Bill Enrollment* form located in the “Agent Resources” section of the AVC.

Please contact your Billing Analyst for any questions with Combined Bill.

~~Billing Reports~~

Description This section describes the types of lists, letters, and other documents that Safety provides to help you review your policyholders' billing activity.

eView - Daily Activity Safety updates eView to show the following Direct Bill activity:

- A. Notices of Cancellation
 - B. Notices of Reinstatement
 - C. To be Cancelled (5 Day Notice)
 - D. Delinquent Payment Letters (Too Late)
 - E. Incomplete Payments Letters (Too Little)
-

eView - Reports Safety posts the following weekly Direct Bill reports

- A. Mailing Address Changes

~~Mailing address changes should be verified and endorsed.~~

Important: ~~If the policy is not endorsed, then the mailing address will revert back to the previous mailing address when the policy renews. Notify your Billing Analyst if the mailing address change is incorrect.~~

- B. Direct Bill Potential Refunds

~~You are able to electronically notify Premium Accounting to hold or transfer the most current listed potential refund~~

~~You should review the listing for possible reinstatements, invalid cancellations, pending endorsements, policy re-writes, recent address changes, etc., and immediately notify your billing analyst of any discrepancies.~~

Continued on next page

Payment Options

Methods

Lockbox: PO Box 371312, Pittsburgh PA 15250-7312

- Policyholder payments (1 check and 1 stub per envelope)

Safety: PO Box 55089, Boston MA 02205-5089

- Agent Web Pay "Other" payments

My Account (for policyholders)

- www.SafetyInsurance.com - policyholder registration required
- Safety Mobile App for Android or Apple devices (previous download and policyholder registration required)
- Policyholders may pay online using a personal or business checking account, a MasterCard or Visa credit card or a NYCE, Pulse, Star or Accel Exchange debit card
- The maximum daily check payment amount is \$20,000 and the maximum daily credit or debit card payment amount is \$10,000
- Available to policyholders, free of charge, 7 days a week except during scheduled maintenance on Fridays from 8:00 pm to 10:00 pm and on Saturdays from 10:30 pm to Sundays at 10:30 am
- Policyholders using 'My Account' may not pay more than the full balance due and are limited to 1 online payment per day per policy

Automated Telephone Payment System

- 800-951-2100 or 617-951-0600
 - Press Option 2, then press Option 1 (Note: These options are subject to change without notification to you)

Pay-by-Phone with Billing Representative

- 800-951-2100 or 617-951-0600 – ext. 3200
- Available Monday-Friday, 8:15 a.m. to 5:00 p.m.

Agent Web Pay

- Accessible through Powerdesk as "Process Payment"
- Agents may process electronic payments online using Policyholder, Agency, or Third Party payment methods including:
 - a personal or business checking account
 - a MasterCard or Visa credit card
 - a NYCE, Pulse, Star or Accel Exchange debit card
- Bank checks, money orders, and certain other payments need to continue to be mailed to Safety
- Written or verbal authorization required prior to electronically processing a payment
- For more information on processing payments through Agent Web Pay, please contact your Billing Analyst, a Billing Representative at ext. 3200 or view our online instructions available through the AVC

3rd Party Online Bill Pay (Home or Online Banking)

- Not a Safety program, but supported through daily electronic receipt of policyholder payments made through 3rd party online banking services
 - Payments are generally received within 24 to 48 hours of policyholder initiation
-

~~**Billing Reports,**~~ Continued~~**Letters to
Policyholders**~~~~If we send one of the following letters to your policyholder, we will send you a copy for your records.~~

- ~~• Partial Payment Letter~~
- ~~• Too Late Letter~~
- ~~• Returned Check Letter~~

| Letter Descriptions | |
|--------------------------------|--|
| This letter... | is issued when... |
| Partial Payment | not enough premium has been paid to reinstate a pending cancellation. |
| Too Late | payment is received after the cancellation effective date. |
| Returned Payment | the policyholder's payment is returned by the bank. |

~~Collecting Payments~~

Description ~~This section contains Safety's guidelines and procedures for collecting premium payments at your office.~~

Guidelines ~~The following guidelines apply for payments received at your agency:~~

~~**Note:** Safety Insurance is not responsible for payments received by its agents. Agents may be charged for any losses that result from failure to comply with Safety's premium collection and payment notification guidelines.~~



In all of the following cases, you must have the payment in your possession before reporting it to Safety.

~~**Payments on renewal prebills, reminder prebills, and installment bills.** You may report these payments anytime before and for up to 10 days after the payment due date. Although the payment will not be credited to the account until we receive it, we will prevent a reminder/warning bill or cancellation notice from being issued. Use Safety's PowerDesk to report your receipt of these payments.~~

~~**Payments on policies with pending cancellations.** You may report these payments prior to the cancellation effective date. Although the payment will not be credited to the account until we receive it, we will stop the pending cancellation immediately. Use Safety's PowerDesk to report your receipt of these payments.~~

~~Although we provide this payment notification feature to you, we do prefer if policyholders pay Safety directly by using the return envelopes enclosed with their bills. Please remind your policyholders to allow ample time for the Postal Service to make delivery.~~

Continued on next page

~~Collecting Payments, Continued~~**Processing
Payments**

Process premium payments as follows:

1. Record the payment using Power Desk.
2. Complete the Direct Bill Single-Payment or Multi-Payment Transmittal form – even if you are only submitting one payment to Safety.
 - a. The Direct Bill Single-Payment and Multi-Payment Transmittal forms are available in the *Agent Forms* section of the AVC.



Always double-check policy numbers and calculations prior to submitting transmittal forms. We reserve the right to return transmittal forms that contain errors.



Forward payments to Safety on the same day you receive them. Do not hold payments under any circumstances.

3. Staple all checks to the front of the transmittal form and staple all supporting documents to the back.
4. Mail the form and check(s) to Safety in the green-bordered Billing Department envelope. When policyholders pay with cash, list the payment in the “producer” column and issue an agency check for the total of that column. Always double-check your calculations.



Never send cash through the mail.

5. Keep a copy of the transmittal form for your records.

**Lockbox
Payments**

Mail checks that are accompanied by our payment stub to our lockbox at:

Safety Insurance
P.O. Box 4324
Woburn, MA 01888-4324

Do not enclose more than one customer's payment in the same envelope.

**Payments not
accompanied
by payment
stubs**

Mail payments that are not accompanied by our payment stub to:

Safety Insurance
P.O. Box 55089
Boston, MA 02205-5089

Text Comparison

Documents Compared

MA_PPAUTO billing 10_2009 Pg_13_1 to 13_10_AN.pdf

MA PPA billing section update 040117_Rev.pdf

Summary

999 word(s) added

1127 word(s) deleted

938 word(s) matched

Billing

Overview

This chapter contains three sections related to Safety's billing procedures and guidelines:

- Billing Guidelines
 - Billing Reports
 - Collecting Payments
-

Billing Guidelines

Description

This section contains the following billing-related topics:

- Billing Methods
 - [Safety Advantage](#)
 - [Payment Options](#)
 - [Billing and Other Charges](#)
 - Due Dates
 - Installment Amounts
 - Endorsement Premiums
 - [Billing-Related Cancellations](#)
 - Refunds
 - Uncollected Premium Bad Debts
 - Renewals
 - Book Transfers
 - [Combined Bill](#)
-

Billing Methods

Safety offers [Direct and Combined Bill billing methods](#). In the [Direct Bill and Combined Bill methods](#), Safety takes care of all aspects of [billing](#).

[If the insured selects Direct Bill or Combined Bill methods](#), policyholders may submit payments through your office. For more information, refer to the section in this manual [entitled Collecting Payments](#).

Policies that are financed by a premium finance [agency](#) are not eligible to participate in Safety's [Direct Bill and Combined Bill billing methods](#). [A copy of our "Procedures and Instructions Related to Premium Financing" can be found in the Manuals section of the AVC](#). Please contact your Billing Analyst for [questions related to the Procedures and Instructions](#).

Safety Advantage

With Safety Advantage, policyholders can have payments electronically withdrawn from a [bank account](#). Under this program, Safety waives monthly [installment fees](#).

To [enroll](#), the owner of the bank account [must complete the Safety Advantage Authorization Form](#), which is available in the [Agent Forms](#) section of the AVC. The applicant [is](#) asked to provide a voided check, select a monthly withdrawal date (from 1 to 28) and indicate the number of [consecutive](#) transactions over which they want to spread [the](#) payments (2 through 9).

Continued on next page

~~Billing Guidelines~~**Description**

This section contains the following billing-related topics:

- Billing Methods
- Payment Options
- Billing Charges
- Due Dates
- Installment Amounts
- Endorsement Premiums
- Billing-related Cancellations
- Refunds
- Uncollected Premium Bad Debts
- Renewals
- ~~Re-rates~~
- ~~Book Transfers~~
- ~~Converting Policies from Agency Bill to Direct Bill~~

Billing Methods Safety offers ~~two billing methods: Agency Bill and Direct Bill. In the Agency Bill method, your agency is responsible for billing and collecting premiums. In the Direct Bill method, Safety takes care of all aspects of the billing process.~~

~~Even if you select the Direct Bill method, policyholders may still submit payments through your office. For more information, refer to the section in this manual titled Collecting Payments.~~

~~Policies that are financed by a premium finance company are not eligible to participate in Safety's Direct Bill program. Please contact your Billing Analyst for specific Procedures and Instructions related to premium financed policies.~~

Safety Advantage

With Safety Advantage, policyholders can have payments electronically withdrawn from ~~their bank accounts~~. Under this program, Safety waives monthly ~~finance and service charges~~.

To ~~join the program, the~~ owner of the bank account ~~completes a~~ Safety Advantage ~~application~~, which is available in the *Agent Forms* section of the AVC. The applicant ~~will be~~ asked to provide a voided check, select a monthly withdrawal date (from 1 to 28) and indicate the number of transactions over which they want to spread ~~their~~ payments (2 through 9).

Continued on next page

Billing Guidelines, continued

Payment Options

Policyholders can pay for their premium in full or in 10 monthly installments.

New business requires a down payment of 20% of the premium.

The installment payment plan is automatically invoked if the full amount is not paid on the first bill. The plan is designed so that the premium is paid in full during the tenth month of the policy term.

If the policyholder has been cancelled for non-payment of premium within the prior 24 months, then a down payment of 100% of the premium is required.

Billing Charges

Billing charges are assessed if the premium is not paid in full by its due date.

Policyholders can avoid monthly billing charges by signing up for Safety Advantage, the program which automatically deducts payments from a bank account.

For qualified policyholders who wish to pay in installments, Safety's guidelines for billing charges are as follows:

| - Total Point Value - | | | | | | |
|---|---|-----------|-----------|------------|------------|------------|
| <u>Sum of SDIP points assigned to each vehicle</u> | | | | | | |
| | | 1 | 2 | 3 | 4 | 5 + |
| Vehicles | 1 | <u>SF</u> | <u>SF</u> | <u>F/C</u> | <u>F/C</u> | <u>F/C</u> |
| | 2 | <u>SF</u> | <u>SF</u> | <u>SF</u> | <u>F/C</u> | <u>F/C</u> |
| | 3 | <u>SF</u> | <u>SF</u> | <u>SF</u> | <u>SF</u> | <u>F/C</u> |
| | 4 | <u>SF</u> | <u>SF</u> | <u>SF</u> | <u>SF</u> | <u>SF</u> |

SF = \$6.00 ~ F/C = 15% APR

Note: In order for our Billing System to calculate total points assigned to each vehicle, point value 98 is converted to -1, and point value 99 is converted to -2. Example: vehicle 1 assigned to a driver with a point value of 99, and vehicle 2 assigned to a driver with a point value of 5. Total points (-2 plus 5) is equal to 3, therefore Finance Charges will apply.

Continued on next page

Billing Guidelines, Continued

Payment Options

Policyholders can pay their premium in full or in monthly installments. New business requires ~~20 percent for the down payment.~~

The installment payment plan is automatically ~~implemented~~ if the full amount is not paid on the first bill. The plan is designed so that the ~~policy~~ is paid in full during the tenth month of the policy ~~term~~.

If the policyholder has been cancelled for non-payment of premium within the prior 24 months, then ~~you are required to collect 100 percent of the premium.~~

Billing Charges Billing charges ~~accrue~~ if the premium is not paid in full by its due date.

Policyholders can avoid monthly billing charges by signing up for Safety Advantage, ~~our electronic funds transfer program,~~ which automatically deducts payments from ~~banking accounts.~~

For policyholders who wish to pay in installments, Safety's guidelines for billing charges are as follows:

| # of Vehicles | Finance Charges = 15% APR | Service Fees - \$6.00* |
|-----------------------|---------------------------|--------------------------|
| 1 Vehicle | Total Points 2 and Higher | Total Points 1 and Lower |
| 2 Vehicles | Total Points 3 and Higher | Total Points 2 and Lower |
| 3 Vehicles | Total Points 4 and Higher | Total Points 3 and Lower |
| 4 Vehicles | Total Points 5 and Higher | Total Points 4 and Lower |

Note: In order for our Billing System to calculate total points assigned to each vehicle, point value 98 ~~was~~ converted to -1, and point value 99 ~~was~~ converted to -2. Example: vehicle 1 assigned to a driver with a point value of 99, and vehicle 2 assigned to a driver with a point value of 5. Total points (-2 plus 5) is equal to 3, therefore Finance Charges will apply.

Other Charges ~~Policyholders~~ may be assessed the following charges on returned (for stop payment, ~~non-sufficient fund,~~ account closed, etc.) or late payments.

| Type | Description |
|-------------------------|---|
| Returned Payment Charge | A \$25.00* service charge is automatically assessed whenever the bank doesn't honor a policyholder's payment. In most cases, this charge is not added until after our bank has tried to process the returned payment twice. |
| Late Charge | If a payment is not received within 10 days after the due date, a \$25.00* late charge is assessed. If policy equity is poor, we will also issue a non-payment cancellation. |

* Effective 10/1/2009 New Business and Renewals

Continued on next page

Billing Guidelines, continued

Other Charges Policyholders may be assessed the following charges on returned (for stop payment, non-sufficient funds, account closed, etc.) or late payments.

| Type | Description |
|-------------------------|---|
| Returned Payment Charge | A \$25.00 service charge is automatically assessed whenever the bank doesn't honor a policyholder's payment. |
| Late Charge | If a payment is not received within 10 days after the due date, a \$25.00 late charge is assessed. |

Due Dates Policyholders will receive the first installment bill approximately 1 week after the policy inception or renewal date. Payments on installment bills are due on the same date each month (for example, the 20th). Due dates are assigned when the policy is produced or renewed.

Installment Amounts The installment amount is determined by the account balance, divided by the number of installments remaining, rounded to the nearest whole dollar amount. All installment payments (except the last one) are subject to a \$35.00 minimum.

Endorsement Premiums Endorsement premiums do not change a pending installment payment. Subsequent bills will be adjusted accordingly.

Billing-Related Cancellations We mail cancellation notices via a Certificate of Mailing. To prevent cancellation, we require sufficient payment to bring the account balance up to date.

Continued on next page

Billing Guidelines, Continued

Due Dates Policyholders receive the first installment bill approximately 1 week after the policy inception or renewal date. Payments on installment bills are due on the same ~~day~~ each month (for example, the ~~20th of each month~~). Due dates are assigned when the policy is produced or renewed.

Installment Amounts The installment amount is determined by the ~~Premium Balance~~, divided by the number of ~~payments~~ remaining, rounded to the nearest whole dollar amount. All installment payments (except the last one) are subject to a \$35.00 minimum.

Endorsement Premiums Endorsement premiums do not change ~~the current bill~~. Subsequent bills will be adjusted accordingly.

Billing-related Cancellations We mail cancellation notices via a Certificate of Mailing. To prevent cancellation, we require sufficient payment to bring the ~~premium~~ balance up to date.

Refunds ~~Safety's~~ refund guidelines are as follows:

- Refunds are issued every ~~week~~.
 - No refund is issued for less than ~~\$2.00~~.
 - Refunds are mailed to policyholders directly from ~~Safety~~.
 - Prior to ~~Safety's~~ mailing of refunds, you ~~will~~ have the opportunity to review the records and make ~~changes, if necessary, to policies with pending refunds.~~ (See the sub-section titled Refund Listings in the Billing Reports ~~section.~~)
 - Refunds on premium-financed policies are issued and mailed directly to the premium finance ~~company~~.
-

Continued on next page

Billing Guidelines, continued**Uncollected
Premium Bad
Debts**

Safety handles uncollected premium bad debts as follows:

- **All uncollected premium is immediately reported to the Registry of Motor Vehicles**
 - A Billing Analyst reviews cancelled and expired policies having outstanding balances
 - The Billing Analyst mails final invoices to former policyholders who owe premium and allows 21 days for payment
 - Collection letters allowing 10 days for payment are mailed if final invoices remain unpaid
 - If the outstanding premium is still not paid by the due date on the collection letter, then the account is forwarded to a collection agency for further action
-

Refunds

Safety's refund guidelines are as follows:

- Refunds are issued every week
 - No refund is issued for less than \$2.00
 - Refunds are mailed to policyholders directly from Safety
 - Prior to Safety's mailing of refunds, you have the opportunity to review the records and make changes if necessary (See the sub-section titled Refund Listings in the Billing Reports section)
 - Refunds on premium-financed policies are issued and mailed directly to the premium finance agency
-

Continued on next page

~~Billing Guidelines, Continued~~**Uncollected Premium Bad Debts**

Safety handles uncollected premium bad debts as follows:

- A ~~billing analyst~~ reviews ~~any~~ cancelled and expired policies having outstanding ~~balances.~~
- The ~~analyst~~ mails ~~letters~~ to former policyholders who owe premium and allows ~~ten~~ days for ~~payment.~~
- ~~All uncollected premium is immediately reported to the Registry of Motor Vehicles.~~
- If the outstanding premium is not ~~paid~~, the account is forwarded to a collection agency for further ~~action.~~

Renewals

Safety's billing practices regarding renewals are as follows:

- All direct bill policies are automatically renewed and billed by ~~Safety.~~ ~~Customers~~ are billed for 10 percent of their premium approximately one month prior to the renewal effective date (this bill is called a ~~prebill~~).
- Prebill payments are due by the policy renewal ~~date.~~ If the ~~prebill~~ payment is not received by the due date, a ~~prebill reminder will be mailed within 10 days.~~ This ~~notice~~ is the final notification before a ~~cancellation~~ is issued (approximately nine days ~~later~~).
- The ~~renewal bill includes any~~ outstanding debit or credit ~~balances.~~
- ~~Safety automatically renews but does not bill agency-billed policies. Agents are responsible for billing and collecting premiums on these policies. For information about changing the billing method of a policy upon renewal, see the section titled Converting Policies from Agency Bill to Direct Bill.~~

Book Transfers In certain situations we can prebill policies that are submitted to Safety through a book transfer. Please contact your Marketing Representative for more information.

Continued on next page

Billing Guidelines, continued**Renewals**

Safety's billing practices regarding renewals are as follows:

- All direct bill policies are automatically renewed and billed by Safety
- Policyholders are billed for 10 percent of their premium approximately one month prior to the renewal effective date (this bill is called a Prebill)
- Prebill payments are due by the policy renewal date
- If the Prebill payment is not received by the due date, then a Prebill Reminder is mailed after 10 days have passed. This bill is the final notification before a Notice of Cancellation is issued (approximately nine days later)
- The Prebill will consider and include outstanding debit or credit balances

Book Transfers

In certain situations we can prebill policies that are submitted to Safety through a book transfer. Please contact your Marketing Representative for more information.

Combined Bill

Combined Bill offers policyholders the option to combine multiple Direct Bill personal lines policies into a single billing account.

Eligibility:

- At least 1 Auto and 1 Home, Dwelling Fire or Umbrella policy is required
- All policies must be issued by the same agency
- At least one policyholder must be a named policyholder on the policies that are to be combined or the policyholders are married to one another

Continued on next page

Billing Guidelines, Continued

**Converting
Policies from
Agency Bill to
Direct Bill**

If you are an existing agent with Safety you can switch all of your policies or only selected policies from Agency Bill to Direct Bill.

To change all policies, contact your marketing representative two months before the changeover month.

To change selected policies, contact your underwriter two months before the changeover month.

Billing Guidelines, continued

Combined Bill, continued

- Policies independently owed by children, regardless of their legal/dependent status as minor or adult, are not eligible for Combined Bill
- Agency and mortgagee billed policies are not eligible for Combined Bill

Installment Plan:

- Combined Bill accounts begin with a prefix of CBA
- Policyholders may enroll at any time
- Policy effective dates need not be co-terminus
- All balance transfers and premium activities are individually scheduled over 10 or 5 installments depending upon the policy effective date of the associated policy
- Balance transfers and premium activities occurring from Day 1 to Day 180 of the policy term are scheduled over 10 installments
- Balance transfers and premium activities occurring from Day 181 to Day 365 of the policy term are scheduled over 5 installments
- Installment bills are issued on the 1st, 5th, 10th, 15th, 20th and 25th of each month – policyholders may choose their issue date
- If an installment bill issue date falls on a holiday, then the bill will be issued on the following business day or if on a weekend day, then it will be issued on the previous business day
- The minimum due on an installment bill consists of one installment from each unpaid premium activity plus any past due amounts
- Overpayments are applied to the account balance and do not automatically serve to reduce the next minimum due payment
- Installment bills are subject to a \$6 service fee
- Late payments are subject to a \$25 late fee
- Returned payments are subject to a \$25 penalty fee

Enrollment:

Complete the Combined Bill Enrollment form located in the “Agent Resources” section of the AVC.

Please contact your Billing Analyst for any questions with Combined Bill.

Billing Reports

Description This section describes the types of lists, letters, and other documents that Safety provides to help you review your policyholders' billing activity.

eView - Daily Activity Safety updates eView to show the following Direct Bill activity:

- A. Notices of Cancellation
 - B. Notices of Reinstatement
 - C. To be Cancelled (5 Day Notice)
 - D. Delinquent Payment Letters (Too Late)
 - E. Incomplete Payments Letters (Too Little)
-

eView - Reports Safety posts the following weekly Direct Bill reports

- A. Mailing Address Changes

Mailing address changes should be verified and endorsed.

Important: If the policy is not endorsed, then the mailing address will revert back to the previous mailing address when the policy renews. Notify your Billing Analyst if the mailing address change is incorrect.

- B. Direct Bill Potential Refunds

You are able to electronically notify Premium Accounting to hold or transfer the most current listed potential refund

You should review the listing for possible reinstatements, invalid cancellations, pending endorsements, policy re-writes, recent address changes, etc., and immediately notify your billing analyst of any discrepancies.

Continued on next page

Payment Options

Methods

Lockbox: PO Box 371312, Pittsburgh PA 15250-7312

- Policyholder payments (1 check and 1 stub per envelope)

Safety: PO Box 55089, Boston MA 02205-5089

- Agent Web Pay "Other" payments

My Account (for policyholders)

- www.SafetyInsurance.com - policyholder registration required
- Safety Mobile App for Android or Apple devices (previous download and policyholder registration required)
- Policyholders may pay online using a personal or business checking account, a MasterCard or Visa credit card or a NYCE, Pulse, Star or Accel Exchange debit card
- The maximum daily check payment amount is \$20,000 and the maximum daily credit or debit card payment amount is \$10,000
- Available to policyholders, free of charge, 7 days a week except during scheduled maintenance on Fridays from 8:00 pm to 10:00 pm and on Saturdays from 10:30 pm to Sundays at 10:30 am
- Policyholders using 'My Account' may not pay more than the full balance due and are limited to 1 online payment per day per policy

Automated Telephone Payment System

- 800-951-2100 or 617-951-0600
 - Press Option 2, then press Option 1 (Note: These options are subject to change without notification to you)

Pay-by-Phone with Billing Representative

- 800-951-2100 or 617-951-0600 – ext. 3200
- Available Monday-Friday, 8:15 a.m. to 5:00 p.m.

Agent Web Pay

- Accessible through Powerdesk as "Process Payment"
- Agents may process electronic payments online using Policyholder, Agency, or Third Party payment methods including:
 - a personal or business checking account
 - a MasterCard or Visa credit card
 - a NYCE, Pulse, Star or Accel Exchange debit card
- Bank checks, money orders, and certain other payments need to continue to be mailed to Safety
- Written or verbal authorization required prior to electronically processing a payment
- For more information on processing payments through Agent Web Pay, please contact your Billing Analyst, a Billing Representative at ext. 3200 or view our online instructions available through the AVC

3rd Party Online Bill Pay (Home or Online Banking)

- Not a Safety program, but supported through daily electronic receipt of policyholder payments made through 3rd party online banking services
 - Payments are generally received within 24 to 48 hours of policyholder initiation
-

Billing Reports, Continued

Letters to Policyholders

If we send one of the following letters to your policyholder, we will send you a copy for your records:

- Partial Payment Letter
- Too Late Letter
- Returned Check Letter

| Letter Descriptions | |
|----------------------------|---|
| This letter... | is issued when... |
| Partial Payment | not enough premium has been paid to reinstate a pending cancellation. |
| Too Late | payment is received after the cancellation effective date. |
| Returned Payment | the policyholder's payment is returned by the bank. |

Collecting Payments

Description This section contains Safety's guidelines and procedures for collecting premium payments at your office.

Guidelines The following guidelines apply for payments received at your agency:

Note: Safety Insurance is not responsible for payments received by its agents. Agents may be charged for any losses that result from failure to comply with Safety's premium collection and payment notification guidelines.

In all of the following cases, you must have the payment in your possession before reporting it to Safety:

Payments on renewal prebills, reminder prebills, and installment bills. You may report these payments anytime before and for up to 10 days after the payment due date. Although the payment will not be credited to the account until we receive it, we will prevent a reminder/warning bill or cancellation notice from being issued. Use Safety's PowerDesk to report your receipt of these payments.

Payments on policies with pending cancellations. You may report these payments prior to the cancellation effective date. Although the payment will not be credited to the account until we receive it, we will stop the pending cancellation immediately. Use Safety's PowerDesk to report your receipt of these payments.

Although we provide this payment notification feature to you, we do prefer if policyholders pay Safety directly by using the return envelopes enclosed with their bills. Please remind your policyholders to allow ample time for the Postal Service to make delivery.

Continued on next page

Collecting Payments, Continued**Processing Payments**

Process premium payments as follows:

1. Record the payment using Power Desk.
2. Complete the Direct Bill Single-Payment or Multi-Payment Transmittal form = even if you are only submitting one payment to Safety.
 - a. The Direct Bill Single-Payment and Multi-Payment Transmittal forms are available in the Agent Forms section of the AVC.

Always double-check policy numbers and calculations prior to submitting transmittal forms. We reserve the right to return transmittal forms that contain errors.

Forward payments to Safety on the same day you receive them. Do not hold payments under any circumstances.

3. Staple all checks to the front of the transmittal form and staple all supporting documents to the back.
4. Mail the form and check(s) to Safety in the green-bordered Billing Department envelope. When policyholders pay with cash, list the payment in the "producer" column and issue an agency check for the total of that column. Always double-check your calculations.

Never send cash through the mail.

5. Keep a copy of the transmittal form for your records.

Lockbox Payments

Mail checks that are accompanied by our payment stub to our lockbox at:

Safety Insurance
P.O. Box 4324
Woburn, MA 01888-4324

Do not enclose more than one customer's payment in the same envelope.

Payments not accompanied by payment stubs

Mail payments that are not accompanied by our payment stub to:

Safety Insurance
P.O. Box 55089
Boston, MA 02205-5089

Text Comparison

Documents Compared

Microsoft Word - 13 PPAUTO billing 2009 Updated.pdf

MA PPA billing section update 040117.pdf

Summary

1050 word(s) added

1169 word(s) deleted

901 word(s) matched

Billing

Overview

This chapter contains three sections related to Safety's billing procedures and guidelines:

- Billing Guidelines
 - Billing Reports
 - Collecting Payments
-

Billing Guidelines

Description This section contains the following billing-related topics:

- [Billing Methods](#)
 - [Safety Advantage](#)
 - [Payment Options](#)
 - [Billing and Other Charges](#)
 - [Due Dates](#)
 - [Installment Amounts](#)
 - [Endorsement Premiums](#)
 - [Billing-Related Cancellations](#)
 - [Refunds](#)
 - [Uncollected Premium Bad Debts](#)
 - [Renewals](#)
 - [Book Transfers](#)
 - [Combined Bill](#)
-

Billing Methods Safety offers Direct [and Combined Bill billing methods](#). In the Direct Bill [and Combined Bill methods](#), Safety takes care of all aspects of [billing](#).

If the insured selects Direct Bill or [Combined Bill methods](#), policyholders may submit payments through your office. For more information, refer to the section in this manual [entitled Collecting Payments](#).

Policies that are financed by a premium finance [agency](#) are not eligible to participate in Safety's Direct Bill [and Combined Bill billing methods](#). [A copy of our "Procedures and Instructions Related to Premium Financing" can be found in the Manuals section of the AVC.](#) Please contact your Billing Analyst for [questions related to the Procedures and Instructions](#).

Safety Advantage

With Safety Advantage, policyholders can have payments electronically withdrawn from a [bank account](#). Under this program, Safety waives monthly [installment fees](#).

To [enroll](#), the owner of the bank account [must complete the Safety Advantage Authorization Form](#), which is available in the *Agent Forms* section of the AVC. The applicant [is](#) asked to provide a voided check, select a monthly withdrawal date (from 1 to 28) and indicate the number of [consecutive](#) transactions over which they want to spread [the payments](#) (2 through 9).

Continued on next page

~~Billing Guidelines~~**Description**

This section contains the following billing-related topics:

- Billing Methods
- Payment Options
- Billing Charges
- Due Dates
- Installment Amounts
- Endorsement Premiums
- Billing-related Cancellations
- Refunds
- Uncollected Premium Bad Debts
- Renewals
- ~~Re-rates~~
- Book Transfers
- ~~Converting Policies from Agency Bill to Direct Bill~~

Billing Methods

Safety offers ~~two billing methods: Agency Bill and Direct Bill. In the Agency Bill method, your agency is responsible for billing and collecting premiums.~~ In the Direct Bill ~~method, Safety takes care of all aspects of the billing process.~~

~~Even if you select the Direct Bill method, policyholders may still submit payments through your office. For more information, refer to the section in this manual titled Collecting Payments.~~

Policies that are financed by a premium finance ~~company~~ are not eligible to participate in Safety's Direct Bill ~~program~~. Please contact your Billing Analyst for ~~specific Procedures and Instructions related to premium financed policies.~~

Safety Advantage

With Safety Advantage, policyholders can have payments electronically withdrawn from ~~their bank accounts~~. Under this program, Safety waives monthly ~~finance and service charges~~.

To ~~join the program, the~~ owner of the bank account ~~completes a~~ Safety Advantage ~~application~~, which is available in the *Agent Forms* section of the AVC. The applicant ~~will be~~ asked to provide a voided check, select a monthly withdrawal date (from 1 to 28) and indicate the number of transactions over which they want to spread ~~their~~ payments (2 through 9).

Continued on next page

Billing Guidelines, Continued

Payment Options

Policyholders can pay for their premium in full or in 10 monthly installments.

New business requires a down payment of 20% of the premium.

The installment payment plan is automatically invoked if the full amount is not paid on the first bill. The plan is designed so that the premium is paid in full during the tenth month of the policy term.

If the policyholder has been cancelled for non-payment of premium within the prior 24 months, then a down payment of 100% of the premium is required.

Billing Charges

Billing charges are assessed if the premium is not paid in full by its due date.

Policyholders can avoid monthly billing charges by signing up for Safety Advantage, the program which automatically deducts payments from a bank account.

For qualified policyholders who wish to pay in installments, Safety’s guidelines for billing charges are as follows:

| - Total Point Value - | | | | | | |
|---|---|-----------|-----------|------------|------------|------------|
| Sum of <u>SDIP</u> points assigned to each vehicle | | | | | | |
| | | 1 | 2 | 3 | 4 | 5 + |
| Vehicles | 1 | <u>SF</u> | <u>SF</u> | <u>F/C</u> | <u>F/C</u> | <u>F/C</u> |
| | 2 | <u>SF</u> | <u>SF</u> | <u>SF</u> | <u>F/C</u> | <u>F/C</u> |
| | 3 | <u>SF</u> | <u>SF</u> | <u>SF</u> | <u>SF</u> | <u>F/C</u> |
| | 4 | <u>SF</u> | <u>SF</u> | <u>SF</u> | <u>SF</u> | <u>SF</u> |

SF = \$6.00 ~ F/C = 15% APR

Note: In order for our Billing System to calculate total points assigned to each vehicle, point value 98 is converted to -1, and point value 99 is converted to -2. Example: vehicle 1 assigned to a driver with a point value of 99, and vehicle 2 assigned to a driver with a point value of 5. Total points (-2 plus 5) is equal to 3, therefore Finance Charges will apply.

Continued on next page

Billing Guidelines, Continued

Payment Options

Policyholders can pay their premium in full or in monthly installments.

New business requires ~~20 percent for the~~ down ~~payment.~~

The installment payment plan is automatically ~~implemented~~ if the full amount is not paid on the first bill. The plan is designed so that the ~~policy~~ is paid in full during the tenth month of the policy ~~term~~.

If the policyholder has been cancelled for non-payment of premium within the prior 24 months, then ~~you are required to collect 100 percent~~ of the ~~premium.~~

Billing Charges

Billing charges ~~accrue~~ if the premium is not paid in full by its due date.

Policyholders can avoid monthly billing charges by signing up for Safety Advantage, ~~our electronic funds transfer program,~~ which automatically deducts payments from ~~banking accounts.~~

For policyholders who wish to pay in installments, Safety's guidelines for billing charges are as follows:

| # of Vehicles | Finance Charges - 15% APR | Service Fees - \$6.00* |
|-----------------------|---------------------------|--------------------------|
| 1 Vehicle | Total Points 2 and Higher | Total Points 1 and Lower |
| 2 Vehicles | Total Points 3 and Higher | Total Points 2 and Lower |
| 3 Vehicles | Total Points 4 and Higher | Total Points 3 and Lower |
| 4 Vehicles | Total Points 5 and Higher | Total Points 4 and Lower |

Note: In order for our Billing System to calculate total points assigned to each vehicle, point value 98 ~~was~~ converted to ~~-1~~, and point value 99 ~~was~~ converted to ~~-2~~. Example: vehicle 1 assigned to a driver with a point value of 99, and vehicle 2 assigned to a driver with a point value of 5. Total points (-2 plus 5) is equal to 3, therefore Finance Charges will apply.

Other Charges

Policyholders may be assessed the following charges on returned (for stop payment, ~~non-sufficient fund,~~ account closed, etc.) or late payments.

| Type | Description |
|-------------------------|---|
| Returned Payment Charge | A \$25.00* service charge is automatically assessed whenever the bank doesn't honor a policyholder's payment. In most cases, this charge is not added until after our bank has tried to process the returned payment twice. |
| Late Charge | If a payment is not received within 10 days after the due date, a \$25.00* late charge is assessed. If policy equity is poor, we will also issue a non-payment cancellation. |

* Effective 10/1/2009 New Business and Renewals

Continued on next page

Billing Guidelines, Continued

Other Charges Policyholders may be assessed the following charges on returned (for stop payment, non-sufficient funds, account closed, etc.) or late payments.

| Type | Description |
|-------------------------|--|
| Returned Payment Charge | A \$25.00 service charge is automatically assessed whenever the bank doesn't honor a policyholder's payment |
| Late Charge | If a payment is not received within 10 days after the due date, a \$25.00 late charge is <u>assessed</u> |

Due Dates Policyholders will receive the first installment bill approximately 1 week after the policy inception or renewal date. Payments on installment bills are due on the same date each month (for example, the 20th). Due dates are assigned when the policy is produced or renewed.

Installment Amounts The installment amount is determined by the account balance, divided by the number of installments remaining, rounded to the nearest whole dollar amount. All installment payments (except the last one) are subject to a \$35.00 minimum.

Endorsement Premiums Endorsement premiums do not change a pending installment payment. Subsequent bills will be adjusted accordingly.

Billing-Related Cancellations We mail cancellation notices via a Certificate of Mailing. To prevent cancellation, we require sufficient payment to bring the account balance up to date.

Continued on next page

~~**Billing Guidelines, Continued**~~**Due Dates**

Policyholders receive the first installment bill approximately 1 week after the policy inception or renewal date. Payments on installment bills are due on the same ~~day~~ each month (for example, the ~~20th of each month~~). Due dates are assigned when the policy is produced or renewed.

Installment Amounts

The installment amount is determined by the ~~Premium Balance~~, divided by the number of ~~payments~~ remaining, rounded to the nearest whole dollar amount. All installment payments (except the last one) are subject to a \$35.00 minimum.

Endorsement Premiums

Endorsement premiums do not change ~~the current bill~~. Subsequent bills will be adjusted accordingly.

**~~Billing-related~~
Cancellations**

We mail cancellation notices via a Certificate of Mailing. To prevent cancellation, we require sufficient payment to bring the ~~premium~~ balance up to date.

Refunds

~~Safety's~~ refund guidelines are as follows:

- Refunds are issued every ~~week~~.
- No refund is issued for less than ~~\$2.00~~.
- Refunds are mailed to policyholders directly from ~~Safety~~.
- Prior to ~~Safety's~~ mailing of refunds, you ~~will~~ have the opportunity to review the records and make ~~changes, if necessary, to policies with pending refunds~~. (See the sub-section titled Refund Listings in the Billing Reports ~~section~~.)
- Refunds on premium-financed policies are issued and mailed directly to the premium finance ~~company~~.

Continued on next page

Billing Guidelines, Continued

Uncollected Premium Bad Debts

Safety handles uncollected premium bad debts as follows:

- All uncollected premium is immediately reported to the Registry of Motor Vehicles
- A Billing Analyst reviews cancelled and expired policies having outstanding balances
- The Billing Analyst mails final invoices to former policyholders who owe premium and allows 21 days for payment
- Collection letters allowing 10 days for payment are mailed if final invoices remain unpaid
- If the outstanding premium is still not paid by the due date on the collection letter, then the account is forwarded to a collection agency for further action

Refunds

Safety's refund guidelines are as follows:

- Refunds are issued every week
- No refund is issued for less than \$2.00
- Refunds are mailed to policyholders directly from Safety
- Prior to Safety's mailing of refunds, you have the opportunity to review the records and make changes if necessary (See the sub-section titled Refund Listings in the Billing Reports section)
- Refunds on premium-financed policies are issued and mailed directly to the premium finance agency

Continued on next page

Billing Guidelines, Continued

Uncollected Premium Bad Debts

Safety handles uncollected premium bad debts as follows:

- ~~A billing analyst reviews any cancelled and expired policies having outstanding balances.~~
 - ~~The analyst mails letters to former policyholders who owe premium and allows ten days for payment.~~
 - ~~All uncollected premium is immediately reported to the Registry of Motor Vehicles.~~
 - ~~If the outstanding premium is not paid, the account is forwarded to a collection agency for further action.~~
-

Renewals

Safety's billing practices regarding renewals are as follows:

- ~~All direct bill policies are automatically renewed and billed by Safety. Customers are billed for 10 percent of their premium approximately one month prior to the renewal effective date (this bill is called a prebill).~~
 - ~~Prebill payments are due by the policy renewal date. If the prebill payment is not received by the due date, a prebill reminder will be mailed within 10 days. This notice is the final notification before a cancellation is issued (approximately nine days later).~~
 - ~~The renewal bill includes any outstanding debit or credit balances.~~
 - ~~Safety automatically renews but does not bill agency-billed policies. Agents are responsible for billing and collecting premiums on these policies. For information about changing the billing method of a policy upon renewal, see the section titled Converting Policies from Agency Bill to Direct Bill.~~
-

Book Transfers

In certain situations we can prebill policies that are submitted to Safety through a book transfer. Please contact your Marketing Representative for more information.

Continued on next page

Billing Guidelines, Continued

Renewals

Safety's billing practices regarding renewals are as follows:

- All direct bill policies are automatically renewed and billed by Safety
 - Policyholders are billed for 10 percent of their premium approximately one month prior to the renewal effective date (this bill is called a Prebill)
 - Prebill payments are due by the policy renewal date
 - If the Prebill payment is not received by the due date, then a Prebill Reminder is mailed after 10 days have passed. This bill is the final notification before a Notice of Cancellation is issued (approximately nine days later)
 - The Prebill will consider and include outstanding debit or credit balances
 - Safety will automatically renew agency-billed policies. Agents are responsible for billing and collecting premiums on these policies.
-

Book Transfers

In certain situations we can prebill policies that are submitted to Safety through a book transfer. Please contact your Marketing Representative for more information.

Combined Bill

Combined Bill offers policyholders the option to combine multiple Direct Bill personal lines policies into a single billing account.

Eligibility:

- At least 1 Auto and 1 Home, Dwelling Fire or Umbrella policy is required
 - All policies must be issued by the same agency
 - At least one policyholder must be a named policyholder on the policies that are to be combined or the policyholders are married to one another
-

Continued on next page

Billing Guidelines, Continued

**Converting
Policies from
Agency Bill to
Direct Bill**

If you are an existing agent with Safety you can switch all of your policies or only selected policies from Agency Bill to Direct Bill.

To change all policies, contact your marketing representative two months before the changeover month.

To change selected policies, contact your underwriter two months before the changeover month.

Billing Guidelines, Continued

Combined Bill, continued

- Policies independently owed by children, regardless of their legal/dependent status as minor or adult, are not eligible for Combined Bill
- Agency and mortgagee billed policies are not eligible for Combined Bill

Installment Plan:

- Combined Bill accounts begin with a prefix of CBA
- Policyholders may enroll at any time
- Policy effective dates need not be co-terminus
- All balance transfers and premium activities are individually scheduled over 10 or 5 installments depending upon the policy effective date of the associated policy
- Balance transfers and premium activities occurring from Day 1 to Day 180 of the policy term are scheduled over 10 installments
- Balance transfers and premium activities occurring from Day 181 to Day 365 of the policy term are scheduled over 5 installments
- Installment bills are issued on the 1st, 5th, 10th, 15th, 20th and 25th of each month – policyholders may choose their issue date
- If an installment bill issue date falls on a holiday, then the bill will be issued on the following business day or if on a weekend day, then it will be issued on the previous business day
- The minimum due on an installment bill consists of one installment from each unpaid premium activity plus any past due amounts
- Overpayments are applied to the account balance and do not automatically serve to reduce the next minimum due payment
- Installment bills are subject to a \$6 service fee
- Late payments are subject to a \$25 late fee
- Returned payments are subject to a \$25 penalty fee

Enrollment:

Complete the *Combined Bill Enrollment* form located in the “Agent Resources” section of the AVC.

Please contact your Billing Analyst for any questions with Combined Bill.

~~Billing Reports~~

Description This section describes the types of lists, letters, and other documents that Safety provides to help you review your policyholders' billing activity.

eView - Daily Activity Safety updates eView to show the following Direct Bill activity:

- A. Notices of Cancellation
 - B. Notices of Reinstatement
 - C. To be Cancelled (5 Day Notice)
 - D. Delinquent Payment Letters (Too Late)
 - E. Incomplete Payments Letters (Too Little)
-

eView - Reports Safety posts the following weekly Direct Bill reports

- A. Mailing Address Changes

~~Mailing address changes should be verified and endorsed.~~

Important: If the policy is not endorsed, then the mailing address will revert back to the previous mailing address when the policy renews. Notify your Billing Analyst if the mailing address change is incorrect.

- B. Direct Bill Potential Refunds

~~You are able to electronically notify Premium Accounting to hold or transfer the most current listed potential refund~~

~~You should review the listing for possible reinstatements, invalid cancellations, pending endorsements, policy re-writes, recent address changes, etc., and immediately notify your billing analyst of any discrepancies.~~

Continued on next page

Payment Options

Methods

Lockbox: PO Box 371312, Pittsburgh PA 15250-7312

- Policyholder payments (1 check and 1 stub per envelope)

Safety: PO Box 55089, Boston MA 02205-5089

- Agent Web Pay "Other" payments

My Account (for policyholders)

- www.SafetyInsurance.com - policyholder registration required
- Safety Mobile App for Android or Apple devices (previous download and policyholder registration required)
- Policyholders may pay online using a personal or business checking account, a MasterCard or Visa credit card or a NYCE, Pulse, Star or Accel Exchange debit card
- The maximum daily check payment amount is \$20,000 and the maximum daily credit or debit card payment amount is \$10,000
- Available to policyholders, free of charge, 7 days a week except during scheduled maintenance on Fridays from 8:00 pm to 10:00 pm and on Saturdays from 10:30 pm to Sundays at 10:30 am
- Policyholders using 'My Account' may not pay more than the full balance due and are limited to 1 online payment per day per policy

Automated Telephone Payment System

- 800-951-2100 or 617-951-0600
 - Press Option 2, then press Option 1 (Note: These options are subject to change without notification to you)

Pay-by-Phone with Billing Representative

- 800-951-2100 or 617-951-0600 – ext. 3200
- Available Monday-Friday, 8:15 a.m. to 5:00 p.m.

Agent Web Pay

- Accessible through Powerdesk as "Process Payment"
- Agents may process electronic payments online using Policyholder, Agency, or Third Party payment methods including:
 - a personal or business checking account
 - a MasterCard or Visa credit card
 - a NYCE, Pulse, Star or Accel Exchange debit card
- Bank checks, money orders, and certain other payments need to continue to be mailed to Safety
- Written or verbal authorization required prior to electronically processing a payment
- For more information on processing payments through Agent Web Pay, please contact your Billing Analyst, a Billing Representative at ext. 3200 or view our online instructions available through the AVC

3rd Party Online Bill Pay (Home or Online Banking)

- Not a Safety program, but supported through daily electronic receipt of policyholder payments made through 3rd party online banking services
 - Payments are generally received within 24 to 48 hours of policyholder initiation
-

~~**Billing Reports,**~~ Continued~~**Letters to
Policyholders**~~~~If we send one of the following letters to your policyholder, we will send you a copy for your records.~~

- ~~• Partial Payment Letter~~
- ~~• Too Late Letter~~
- ~~• Returned Check Letter~~

| Letter Descriptions | |
|--------------------------------|--|
| This letter... | is issued when... |
| Partial Payment | not enough premium has been paid to reinstate a pending cancellation. |
| Too Late | payment is received after the cancellation effective date. |
| Returned Payment | the policyholder's payment is returned by the bank. |

~~Collecting Payments~~

Description ~~This section contains Safety's guidelines and procedures for collecting premium payments at your office.~~

Guidelines ~~The following guidelines apply for payments received at your agency:~~

~~**Note:** Safety Insurance is not responsible for payments received by its agents. Agents may be charged for any losses that result from failure to comply with Safety's premium collection and payment notification guidelines.~~



In all of the following cases, you must have the payment in your possession before reporting it to Safety.

~~**Payments on renewal prebills, reminder prebills, and installment bills.** You may report these payments anytime before and for up to 10 days after the payment due date. Although the payment will not be credited to the account until we receive it, we will prevent a reminder/warning bill or cancellation notice from being issued. Use Safety's PowerDesk to report your receipt of these payments.~~

~~**Payments on policies with pending cancellations.** You may report these payments prior to the cancellation effective date. Although the payment will not be credited to the account until we receive it, we will stop the pending cancellation immediately. Use Safety's PowerDesk to report your receipt of these payments.~~

~~Although we provide this payment notification feature to you, we do prefer if policyholders pay Safety directly by using the return envelopes enclosed with their bills. Please remind your policyholders to allow ample time for the Postal Service to make delivery.~~

Continued on next page

~~Collecting Payments, Continued~~**Processing
Payments**

Process premium payments as follows:

1. Record the payment using Power Desk.
2. Complete the Direct Bill Single-Payment or Multi-Payment Transmittal form – even if you are only submitting one payment to Safety.
 - a. The Direct Bill Single-Payment and Multi-Payment Transmittal forms are available in the *Agent Forms* section of the AVC.



Always double-check policy numbers and calculations prior to submitting transmittal forms. We reserve the right to return transmittal forms that contain errors.



Forward payments to Safety on the same day you receive them. Do not hold payments under any circumstances.

3. Staple all checks to the front of the transmittal form and staple all supporting documents to the back.
4. Mail the form and check(s) to Safety in the green-bordered Billing Department envelope. When policyholders pay with cash, list the payment in the “producer” column and issue an agency check for the total of that column. Always double-check your calculations.



Never send cash through the mail.

5. Keep a copy of the transmittal form for your records.

**Lockbox
Payments**

Mail checks that are accompanied by our payment stub to our lockbox at:

Safety Insurance
P.O. Box 4324
Woburn, MA 01888-4324

Do not enclose more than one customer's payment in the same envelope.

**Payments not
accompanied
by payment
stubs**

Mail payments that are not accompanied by our payment stub to:

Safety Insurance
P.O. Box 55089
Boston, MA 02205-5089

Billing Guidelines

Description

This section contains the following billing-related topics:

- Billing Methods
 - Safety Advantage
 - Payment Options
 - Billing and Other Charges
 - Due Dates
 - Installment Amounts
 - Endorsement Premiums
 - Billing-Related Cancellations
 - Refunds
 - Uncollected Premium Bad Debts
 - Renewals
 - Book Transfers
 - Combined Bill
-

Billing Methods

Safety offers Direct and Combined Bill billing methods. In the Direct Bill and Combined Bill methods, Safety takes care of all aspects of billing.

If the insured selects Direct Bill or Combined Bill methods, policyholders may submit payments through your office. For more information, refer to the section in this manual entitled Collecting Payments.

Policies that are financed by a premium finance agency are not eligible to participate in Safety's Direct Bill and Combined Bill billing methods. A copy of our "Procedures and Instructions Related to Premium Financing" can be found in the *Manuals* section of the AVC. Please contact your Billing Analyst for questions related to the Procedures and Instructions.

Safety Advantage

With Safety Advantage, policyholders can have payments electronically withdrawn from a bank account. Under this program, Safety waives monthly installment fees.

To enroll, the owner of the bank account must complete the Safety Advantage Authorization Form, which is available in the *Agent Forms* section of the AVC. The applicant is asked to provide a voided check, select a monthly withdrawal date (from 1 to 28) and indicate the number of consecutive transactions over which they want to spread the payments (2 through 9).

Continued on next page

Billing Guidelines, Continued

Payment Options

Policyholders can pay for their premium in full or in 10 monthly installments.

New business requires a down payment of 20% of the premium.

The installment payment plan is automatically invoked if the full amount is not paid on the first bill. The plan is designed so that the premium is paid in full during the tenth month of the policy term.

If the policyholder has been cancelled for non-payment of premium within the prior 24 months, then a down payment of 100% of the premium is required.

Billing Charges

Billing charges are assessed if the premium is not paid in full by its due date.

Policyholders can avoid monthly billing charges by signing up for Safety Advantage, the program which automatically deducts payments from a bank account.

For qualified policyholders who wish to pay in installments, Safety’s guidelines for billing charges are as follows:

| - Total Point Value - Sum of SDIP points assigned to each vehicle | | | | | | |
|--|---|----|----|-----|-----|-----|
| | | 1 | 2 | 3 | 4 | 5 + |
| Vehicles | 1 | SF | SF | F/C | F/C | F/C |
| | 2 | SF | SF | SF | F/C | F/C |
| | 3 | SF | SF | SF | SF | F/C |
| | 4 | SF | SF | SF | SF | SF |

SF = \$6.00 ~ F/C = 15% APR

Note: In order for our Billing System to calculate total points assigned to each vehicle, point value 98 is converted to -1, and point value 99 is converted to -2. Example: vehicle 1 assigned to a driver with a point value of 99, and vehicle 2 assigned to a driver with a point value of 5. Total points (-2 plus 5) is equal to 3, therefore Finance Charges will apply.

Continued on next page

Billing Guidelines, Continued

Other Charges Policyholders may be assessed the following charges on returned (for stop payment, non-sufficient funds, account closed, etc.) or late payments.

| Type | Description |
|-------------------------|--|
| Returned Payment Charge | A \$25.00 service charge is automatically assessed whenever the bank doesn't honor a policyholder's payment |
| Late Charge | If a payment is not received within 10 days after the due date, a \$25.00 late charge is assessed |

Due Dates Policyholders will receive the first installment bill approximately 1 week after the policy inception or renewal date. Payments on installment bills are due on the same date each month (for example, the 20th). Due dates are assigned when the policy is produced or renewed.

Installment Amounts The installment amount is determined by the account balance, divided by the number of installments remaining, rounded to the nearest whole dollar amount. All installment payments (except the last one) are subject to a \$35.00 minimum.

Endorsement Premiums Endorsement premiums do not change a pending installment payment. Subsequent bills will be adjusted accordingly.

Billing-Related Cancellations We mail cancellation notices via a Certificate of Mailing. To prevent cancellation, we require sufficient payment to bring the account balance up to date.

Continued on next page

Billing Guidelines, Continued**Uncollected
Premium Bad
Debts**

Safety handles uncollected premium bad debts as follows:

- All uncollected premium is immediately reported to the Registry of Motor Vehicles
- A Billing Analyst reviews cancelled and expired policies having outstanding balances
- The Billing Analyst mails final invoices to former policyholders who owe premium and allows 21 days for payment
- Collection letters allowing 10 days for payment are mailed if final invoices remain unpaid
- If the outstanding premium is still not paid by the due date on the collection letter, then the account is forwarded to a collection agency for further action

Refunds

Safety's refund guidelines are as follows:

- Refunds are issued every week
- No refund is issued for less than \$2.00
- Refunds are mailed to policyholders directly from Safety
- Prior to Safety's mailing of refunds, you have the opportunity to review the records and make changes if necessary (See the sub-section titled Refund Listings in the Billing Reports section)
- Refunds on premium-financed policies are issued and mailed directly to the premium finance agency

Continued on next page

Billing Guidelines, Continued

Renewals

Safety's billing practices regarding renewals are as follows:

- All direct bill policies are automatically renewed and billed by Safety
 - Policyholders are billed for 10 percent of their premium approximately one month prior to the renewal effective date (this bill is called a Prebill)
 - Prebill payments are due by the policy renewal date
 - If the Prebill payment is not received by the due date, then a Prebill Reminder is mailed after 10 days have passed. This bill is the final notification before a Notice of Cancellation is issued (approximately nine days later)
 - The Prebill will consider and include outstanding debit or credit balances
 - Safety will automatically renew agency-billed policies. Agents are responsible for billing and collecting premiums on these policies.
-

Book Transfers

In certain situations we can prebill policies that are submitted to Safety through a book transfer. Please contact your Marketing Representative for more information.

Combined Bill

Combined Bill offers policyholders the option to combine multiple Direct Bill personal lines policies into a single billing account.

Eligibility:

- At least 1 Auto and 1 Home, Dwelling Fire or Umbrella policy is required
 - All policies must be issued by the same agency
 - At least one policyholder must be a named policyholder on the policies that are to be combined or the policyholders are married to one another
-

Continued on next page

Billing Guidelines, Continued

Combined Bill, continued

- Policies independently owned by children, regardless of their legal/dependent status as minor or adult, are not eligible for Combined Bill
- Agency and mortgagee billed policies are not eligible for Combined Bill

Installment Plan:

- Combined Bill accounts begin with a prefix of CBA
- Policyholders may enroll at any time
- Policy effective dates need not be co-terminus
- All balance transfers and premium activities are individually scheduled over 10 or 5 installments depending upon the policy effective date of the associated policy
- Balance transfers and premium activities occurring from Day 1 to Day 180 of the policy term are scheduled over 10 installments
- Balance transfers and premium activities occurring from Day 181 to Day 365 of the policy term are scheduled over 5 installments
- Installment bills are issued on the 1st, 5th, 10th, 15th, 20th and 25th of each month – policyholders may choose their issue date
- If an installment bill issue date falls on a holiday, then the bill will be issued on the following business day or if on a weekend day, then it will be issued on the previous business day
- The minimum due on an installment bill consists of one installment from each unpaid premium activity plus any past due amounts
- Overpayments are applied to the account balance and do not automatically serve to reduce the next minimum due payment
- Installment bills are subject to a \$6 service fee
- Late payments are subject to a \$25 late fee
- Returned payments are subject to a \$25 penalty fee

Enrollment:

Complete the *Combined Bill Enrollment* form located in the “Agent Resources” section of the AVC.

Please contact your Billing Analyst for any questions with Combined Bill.

Payment Options

Methods

Lockbox: PO Box 371312, Pittsburgh PA 15250-7312

- Policyholder payments (1 check and 1 stub per envelope)

Safety: PO Box 55089, Boston MA 02205-5089

- Agent Web Pay "Other" payments

My Account (for policyholders)

- www.SafetyInsurance.com - policyholder registration required
- Safety Mobile App for Android or Apple devices (previous download and policyholder registration required)
- Policyholders may pay online using a personal or business checking account, a MasterCard or Visa credit card or a NYCE, Pulse, Star or Accel Exchange debit card
- The maximum daily check payment amount is \$20,000 and the maximum daily credit or debit card payment amount is \$10,000
- Available to policyholders, free of charge, 7 days a week except during scheduled maintenance on Fridays from 8:00 pm to 10:00 pm and on Saturdays from 10:30 pm to Sundays at 10:30 am
- Policyholders using 'My Account' may not pay more than the full balance due and are limited to 1 online payment per day per policy

Automated Telephone Payment System

- 800-951-2100 or 617-951-0600
 - Press Option 2, then press Option 1 (Note: These options are subject to change without notification to you)

Pay-by-Phone with Billing Representative

- 800-951-2100 or 617-951-0600 – ext. 3200
- Available Monday-Friday, 8:15 a.m. to 5:00 p.m.

Agent Web Pay

- Accessible through Powerdesk as "Process Payment"
- Agents may process electronic payments online using Policyholder, Agency, or Third Party payment methods including:
 - a personal or business checking account
 - a MasterCard or Visa credit card
 - a NYCE, Pulse, Star or Accel Exchange debit card
- Bank checks, money orders, and certain other payments need to continue to be mailed to Safety
- Written or verbal authorization required prior to electronically processing a payment
- For more information on processing payments through Agent Web Pay, please contact your Billing Analyst, a Billing Representative at ext. 3200 or view our online instructions available through the AVC

3rd Party Online Bill Pay (Home or Online Banking)

- Not a Safety program, but supported through daily electronic receipt of policyholder payments made through 3rd party online banking services
 - Payments are generally received within 24 to 48 hours of policyholder initiation
-

Text Comparison

Documents Compared

Microsoft Word - 13 PPAUTO billing 2009 Updated.pdf

MA PPA billing section update 040117.pdf

Summary

1050 word(s) added

1169 word(s) deleted

901 word(s) matched

Billing

Overview

This chapter contains three sections related to Safety's billing procedures and guidelines:

- Billing Guidelines
 - Billing Reports
 - Collecting Payments
-

Billing Guidelines

Description This section contains the following billing-related topics:

- [Billing Methods](#)
 - [Safety Advantage](#)
 - [Payment Options](#)
 - [Billing and Other Charges](#)
 - [Due Dates](#)
 - [Installment Amounts](#)
 - [Endorsement Premiums](#)
 - [Billing-Related Cancellations](#)
 - [Refunds](#)
 - [Uncollected Premium Bad Debts](#)
 - [Renewals](#)
 - [Book Transfers](#)
 - [Combined Bill](#)
-

Billing Methods Safety offers Direct [and Combined Bill billing methods](#). In the Direct Bill [and Combined Bill methods](#), Safety takes care of all aspects of [billing](#).

If the insured selects Direct Bill or [Combined Bill methods](#), policyholders may submit payments through your office. For more information, refer to the section in this manual [entitled Collecting Payments](#).

Policies that are financed by a premium finance [agency](#) are not eligible to participate in Safety's Direct Bill [and Combined Bill billing methods](#). [A copy of our "Procedures and Instructions Related to Premium Financing" can be found in the Manuals section of the AVC.](#) Please contact your Billing Analyst for [questions related to the Procedures and Instructions](#).

Safety Advantage

With Safety Advantage, policyholders can have payments electronically withdrawn from a [bank account](#). Under this program, Safety waives monthly [installment fees](#).

To [enroll](#), the owner of the bank account [must complete the Safety Advantage Authorization Form](#), which is available in the *Agent Forms* section of the AVC. The applicant [is](#) asked to provide a voided check, select a monthly withdrawal date (from 1 to 28) and indicate the number of [consecutive](#) transactions over which they want to spread [the payments](#) (2 through 9).

Continued on next page

~~Billing Guidelines~~**Description**

This section contains the following billing-related topics:

- Billing Methods
- Payment Options
- Billing Charges
- Due Dates
- Installment Amounts
- Endorsement Premiums
- Billing-related Cancellations
- Refunds
- Uncollected Premium Bad Debts
- Renewals
- ~~Re-rates~~
- Book Transfers
- ~~Converting Policies from Agency Bill to Direct Bill~~

Billing Methods

Safety offers ~~two billing methods: Agency Bill and Direct Bill. In the Agency Bill method, your agency is responsible for billing and collecting premiums.~~ In the Direct Bill ~~method, Safety takes care of all aspects of the billing process.~~

~~Even if you select the Direct Bill method, policyholders may still submit payments through your office. For more information, refer to the section in this manual titled Collecting Payments.~~

Policies that are financed by a premium finance ~~company~~ are not eligible to participate in Safety's Direct Bill ~~program~~. Please contact your Billing Analyst for ~~specific Procedures and Instructions related to premium financed policies.~~

Safety Advantage

With Safety Advantage, policyholders can have payments electronically withdrawn from ~~their bank accounts~~. Under this program, Safety waives monthly ~~finance and service charges~~.

To ~~join the program, the~~ owner of the bank account ~~completes a~~ Safety Advantage ~~application~~, which is available in the *Agent Forms* section of the AVC. The applicant ~~will be~~ asked to provide a voided check, select a monthly withdrawal date (from 1 to 28) and indicate the number of transactions over which they want to spread ~~their~~ payments (2 through 9).

Continued on next page

Billing Guidelines, Continued

Payment Options

Policyholders can pay for their premium in full or in 10 monthly installments.

New business requires a down payment of 20% of the premium.

The installment payment plan is automatically invoked if the full amount is not paid on the first bill. The plan is designed so that the premium is paid in full during the tenth month of the policy term.

If the policyholder has been cancelled for non-payment of premium within the prior 24 months, then a down payment of 100% of the premium is required.

Billing Charges

Billing charges are assessed if the premium is not paid in full by its due date.

Policyholders can avoid monthly billing charges by signing up for Safety Advantage, the program which automatically deducts payments from a bank account.

For qualified policyholders who wish to pay in installments, Safety’s guidelines for billing charges are as follows:

| - Total Point Value - | | | | | | |
|---|---|-----------|-----------|------------|------------|------------|
| Sum of <u>SDIP</u> points assigned to each vehicle | | | | | | |
| | | 1 | 2 | 3 | 4 | 5 + |
| Vehicles | 1 | <u>SF</u> | <u>SF</u> | <u>F/C</u> | <u>F/C</u> | <u>F/C</u> |
| | 2 | <u>SF</u> | <u>SF</u> | <u>SF</u> | <u>F/C</u> | <u>F/C</u> |
| | 3 | <u>SF</u> | <u>SF</u> | <u>SF</u> | <u>SF</u> | <u>F/C</u> |
| | 4 | <u>SF</u> | <u>SF</u> | <u>SF</u> | <u>SF</u> | <u>SF</u> |

SF = \$6.00 ~ F/C = 15% APR

Note: In order for our Billing System to calculate total points assigned to each vehicle, point value 98 is converted to -1, and point value 99 is converted to -2. Example: vehicle 1 assigned to a driver with a point value of 99, and vehicle 2 assigned to a driver with a point value of 5. Total points (-2 plus 5) is equal to 3, therefore Finance Charges will apply.

Continued on next page

Billing Guidelines, Continued

Payment Options

Policyholders can pay their premium in full or in monthly installments.

New business requires ~~20 percent for the~~ down ~~payment.~~

The installment payment plan is automatically ~~implemented~~ if the full amount is not paid on the first bill. The plan is designed so that the ~~policy~~ is paid in full during the tenth month of the policy ~~term~~.

If the policyholder has been cancelled for non-payment of premium within the prior 24 months, then ~~you are required to collect 100 percent~~ of the ~~premium.~~

Billing Charges

Billing charges ~~accrue~~ if the premium is not paid in full by its due date.

Policyholders can avoid monthly billing charges by signing up for Safety Advantage, ~~our electronic funds transfer program,~~ which automatically deducts payments from ~~banking accounts.~~

For policyholders who wish to pay in installments, Safety's guidelines for billing charges are as follows:

| # of Vehicles | Finance Charges - 15% APR | Service Fees - \$6.00* |
|-----------------------|---------------------------|--------------------------|
| 1 Vehicle | Total Points 2 and Higher | Total Points 1 and Lower |
| 2 Vehicles | Total Points 3 and Higher | Total Points 2 and Lower |
| 3 Vehicles | Total Points 4 and Higher | Total Points 3 and Lower |
| 4 Vehicles | Total Points 5 and Higher | Total Points 4 and Lower |

Note: In order for our Billing System to calculate total points assigned to each vehicle, point value 98 ~~was~~ converted to ~~-1~~, and point value 99 ~~was~~ converted to ~~-2~~. Example: vehicle 1 assigned to a driver with a point value of 99, and vehicle 2 assigned to a driver with a point value of 5. Total points (-2 plus 5) is equal to 3, therefore Finance Charges will apply.

Other Charges

Policyholders may be assessed the following charges on returned (for stop payment, ~~non-sufficient fund,~~ account closed, etc.) or late payments.

| Type | Description |
|-------------------------|---|
| Returned Payment Charge | A \$25.00* service charge is automatically assessed whenever the bank doesn't honor a policyholder's payment. In most cases, this charge is not added until after our bank has tried to process the returned payment twice. |
| Late Charge | If a payment is not received within 10 days after the due date, a \$25.00* late charge is assessed. If policy equity is poor, we will also issue a non-payment cancellation. |

* Effective 10/1/2009 New Business and Renewals

Continued on next page

Billing Guidelines, Continued

Other Charges Policyholders may be assessed the following charges on returned (for stop payment, non-sufficient funds, account closed, etc.) or late payments.

| Type | Description |
|-------------------------|--|
| Returned Payment Charge | A \$25.00 service charge is automatically assessed whenever the bank doesn't honor a policyholder's payment |
| Late Charge | If a payment is not received within 10 days after the due date, a \$25.00 late charge is <u>assessed</u> |

Due Dates Policyholders will receive the first installment bill approximately 1 week after the policy inception or renewal date. Payments on installment bills are due on the same date each month (for example, the 20th). Due dates are assigned when the policy is produced or renewed.

Installment Amounts The installment amount is determined by the account balance, divided by the number of installments remaining, rounded to the nearest whole dollar amount. All installment payments (except the last one) are subject to a \$35.00 minimum.

Endorsement Premiums Endorsement premiums do not change a pending installment payment. Subsequent bills will be adjusted accordingly.

Billing-Related Cancellations We mail cancellation notices via a Certificate of Mailing. To prevent cancellation, we require sufficient payment to bring the account balance up to date.

Continued on next page

~~**Billing Guidelines, Continued**~~

Due Dates Policyholders receive the first installment bill approximately 1 week after the policy inception or renewal date. Payments on installment bills are due on the same ~~day~~ each month (for example, the ~~20th of each month~~). Due dates are assigned when the policy is produced or renewed.

Installment Amounts The installment amount is determined by the ~~Premium Balance~~, divided by the number of ~~payments~~ remaining, rounded to the nearest whole dollar amount. All installment payments (except the last one) are subject to a \$35.00 minimum.

Endorsement Premiums Endorsement premiums do not change ~~the current bill~~. Subsequent bills will be adjusted accordingly.

~~Billing-related~~ Cancellations We mail cancellation notices via a Certificate of Mailing. To prevent cancellation, we require sufficient payment to bring the ~~premium~~ balance up to date.

Refunds ~~Safety's~~ refund guidelines are as follows:

- Refunds are issued every ~~week~~.
- No refund is issued for less than ~~\$2.00~~.
- Refunds are mailed to policyholders directly from ~~Safety~~.
- Prior to ~~Safety's~~ mailing of refunds, you ~~will~~ have the opportunity to review the records and make ~~changes, if necessary, to policies with pending refunds~~. (See the sub-section titled Refund Listings in the Billing Reports ~~section~~.)
- Refunds on premium-financed policies are issued and mailed directly to the premium finance ~~company~~.

Continued on next page

Billing Guidelines, Continued

Uncollected Premium Bad Debts

Safety handles uncollected premium bad debts as follows:

- All uncollected premium is immediately reported to the Registry of Motor Vehicles
- A Billing Analyst reviews cancelled and expired policies having outstanding balances
- The Billing Analyst mails final invoices to former policyholders who owe premium and allows 21 days for payment
- Collection letters allowing 10 days for payment are mailed if final invoices remain unpaid
- If the outstanding premium is still not paid by the due date on the collection letter, then the account is forwarded to a collection agency for further action

Refunds

Safety's refund guidelines are as follows:

- Refunds are issued every week
- No refund is issued for less than \$2.00
- Refunds are mailed to policyholders directly from Safety
- Prior to Safety's mailing of refunds, you have the opportunity to review the records and make changes if necessary (See the sub-section titled Refund Listings in the Billing Reports section)
- Refunds on premium-financed policies are issued and mailed directly to the premium finance agency

Continued on next page

Billing Guidelines, Continued

Uncollected Premium Bad Debts

Safety handles uncollected premium bad debts as follows:

- ~~A billing analyst reviews any cancelled and expired policies having outstanding balances.~~
 - ~~The analyst mails letters to former policyholders who owe premium and allows ten days for payment.~~
 - ~~All uncollected premium is immediately reported to the Registry of Motor Vehicles.~~
 - ~~If the outstanding premium is not paid, the account is forwarded to a collection agency for further action.~~
-

Renewals

Safety's billing practices regarding renewals are as follows:

- ~~All direct bill policies are automatically renewed and billed by Safety. Customers are billed for 10 percent of their premium approximately one month prior to the renewal effective date (this bill is called a prebill).~~
 - ~~Prebill payments are due by the policy renewal date. If the prebill payment is not received by the due date, a prebill reminder will be mailed within 10 days. This notice is the final notification before a cancellation is issued (approximately nine days later).~~
 - ~~The renewal bill includes any outstanding debit or credit balances.~~
 - ~~Safety automatically renews but does not bill agency-billed policies. Agents are responsible for billing and collecting premiums on these policies. For information about changing the billing method of a policy upon renewal, see the section titled Converting Policies from Agency Bill to Direct Bill.~~
-

Book Transfers

In certain situations we can prebill policies that are submitted to Safety through a book transfer. Please contact your Marketing Representative for more information.

Continued on next page

Billing Guidelines, Continued

Renewals

Safety's billing practices regarding renewals are as follows:

- All direct bill policies are automatically renewed and billed by Safety
 - Policyholders are billed for 10 percent of their premium approximately one month prior to the renewal effective date (this bill is called a Prebill)
 - Prebill payments are due by the policy renewal date
 - If the Prebill payment is not received by the due date, then a Prebill Reminder is mailed after 10 days have passed. This bill is the final notification before a Notice of Cancellation is issued (approximately nine days later)
 - The Prebill will consider and include outstanding debit or credit balances
 - Safety will automatically renew agency-billed policies. Agents are responsible for billing and collecting premiums on these policies.
-

Book Transfers

In certain situations we can prebill policies that are submitted to Safety through a book transfer. Please contact your Marketing Representative for more information.

Combined Bill

Combined Bill offers policyholders the option to combine multiple Direct Bill personal lines policies into a single billing account.

Eligibility:

- At least 1 Auto and 1 Home, Dwelling Fire or Umbrella policy is required
 - All policies must be issued by the same agency
 - At least one policyholder must be a named policyholder on the policies that are to be combined or the policyholders are married to one another
-

Continued on next page

Billing Guidelines, Continued

**Converting
Policies from
Agency Bill to
Direct Bill**

If you are an existing agent with Safety you can switch all of your policies or only selected policies from Agency Bill to Direct Bill.

To change all policies, contact your marketing representative two months before the changeover month.

To change selected policies, contact your underwriter two months before the changeover month.

Billing Guidelines, Continued

Combined Bill, continued

- Policies independently owed by children, regardless of their legal/dependent status as minor or adult, are not eligible for Combined Bill
- Agency and mortgagee billed policies are not eligible for Combined Bill

Installment Plan:

- Combined Bill accounts begin with a prefix of CBA
- Policyholders may enroll at any time
- Policy effective dates need not be co-terminus
- All balance transfers and premium activities are individually scheduled over 10 or 5 installments depending upon the policy effective date of the associated policy
- Balance transfers and premium activities occurring from Day 1 to Day 180 of the policy term are scheduled over 10 installments
- Balance transfers and premium activities occurring from Day 181 to Day 365 of the policy term are scheduled over 5 installments
- Installment bills are issued on the 1st, 5th, 10th, 15th, 20th and 25th of each month – policyholders may choose their issue date
- If an installment bill issue date falls on a holiday, then the bill will be issued on the following business day or if on a weekend day, then it will be issued on the previous business day
- The minimum due on an installment bill consists of one installment from each unpaid premium activity plus any past due amounts
- Overpayments are applied to the account balance and do not automatically serve to reduce the next minimum due payment
- Installment bills are subject to a \$6 service fee
- Late payments are subject to a \$25 late fee
- Returned payments are subject to a \$25 penalty fee

Enrollment:

Complete the *Combined Bill Enrollment* form located in the “Agent Resources” section of the AVC.

Please contact your Billing Analyst for any questions with Combined Bill.

~~Billing Reports~~

Description This section describes the types of lists, letters, and other documents that Safety provides to help you review your policyholders' billing activity.

eView - Daily Activity Safety updates eView to show the following Direct Bill activity:

- A. Notices of Cancellation
 - B. Notices of Reinstatement
 - C. To be Cancelled (5 Day Notice)
 - D. Delinquent Payment Letters (Too Late)
 - E. Incomplete Payments Letters (Too Little)
-

eView - Reports Safety posts the following weekly Direct Bill reports

- A. Mailing Address Changes

~~Mailing address changes should be verified and endorsed.~~

Important: ~~If the policy is not endorsed, then the mailing address will revert back to the previous mailing address when the policy renews. Notify your Billing Analyst if the mailing address change is incorrect.~~

- B. Direct Bill Potential Refunds

~~You are able to electronically notify Premium Accounting to hold or transfer the most current listed potential refund~~

~~You should review the listing for possible reinstatements, invalid cancellations, pending endorsements, policy re-writes, recent address changes, etc., and immediately notify your billing analyst of any discrepancies.~~

Continued on next page

Payment Options

Methods

Lockbox: PO Box 371312, Pittsburgh PA 15250-7312

- Policyholder payments (1 check and 1 stub per envelope)

Safety: PO Box 55089, Boston MA 02205-5089

- Agent Web Pay "Other" payments

My Account (for policyholders)

- www.SafetyInsurance.com - policyholder registration required
- Safety Mobile App for Android or Apple devices (previous download and policyholder registration required)
- Policyholders may pay online using a personal or business checking account, a MasterCard or Visa credit card or a NYCE, Pulse, Star or Accel Exchange debit card
- The maximum daily check payment amount is \$20,000 and the maximum daily credit or debit card payment amount is \$10,000
- Available to policyholders, free of charge, 7 days a week except during scheduled maintenance on Fridays from 8:00 pm to 10:00 pm and on Saturdays from 10:30 pm to Sundays at 10:30 am
- Policyholders using 'My Account' may not pay more than the full balance due and are limited to 1 online payment per day per policy

Automated Telephone Payment System

- 800-951-2100 or 617-951-0600
 - Press Option 2, then press Option 1 (Note: These options are subject to change without notification to you)

Pay-by-Phone with Billing Representative

- 800-951-2100 or 617-951-0600 – ext. 3200
- Available Monday-Friday, 8:15 a.m. to 5:00 p.m.

Agent Web Pay

- Accessible through Powerdesk as "Process Payment"
- Agents may process electronic payments online using Policyholder, Agency, or Third Party payment methods including:
 - a personal or business checking account
 - a MasterCard or Visa credit card
 - a NYCE, Pulse, Star or Accel Exchange debit card
- Bank checks, money orders, and certain other payments need to continue to be mailed to Safety
- Written or verbal authorization required prior to electronically processing a payment
- For more information on processing payments through Agent Web Pay, please contact your Billing Analyst, a Billing Representative at ext. 3200 or view our online instructions available through the AVC

3rd Party Online Bill Pay (Home or Online Banking)

- Not a Safety program, but supported through daily electronic receipt of policyholder payments made through 3rd party online banking services
 - Payments are generally received within 24 to 48 hours of policyholder initiation
-

~~**Billing Reports,**~~ Continued~~**Letters to
Policyholders**~~~~If we send one of the following letters to your policyholder, we will send you a copy for your records.~~

- ~~• Partial Payment Letter~~
- ~~• Too Late Letter~~
- ~~• Returned Check Letter~~

| Letter Descriptions | |
|--------------------------------|--|
| This letter... | is issued when... |
| Partial Payment | not enough premium has been paid to reinstate a pending cancellation. |
| Too Late | payment is received after the cancellation effective date. |
| Returned Payment | the policyholder's payment is returned by the bank. |

~~Collecting Payments~~

Description ~~This section contains Safety's guidelines and procedures for collecting premium payments at your office.~~

Guidelines ~~The following guidelines apply for payments received at your agency:~~

~~**Note:** Safety Insurance is not responsible for payments received by its agents. Agents may be charged for any losses that result from failure to comply with Safety's premium collection and payment notification guidelines.~~



In all of the following cases, you must have the payment in your possession before reporting it to Safety.

~~**Payments on renewal prebills, reminder prebills, and installment bills.** You may report these payments anytime before and for up to 10 days after the payment due date. Although the payment will not be credited to the account until we receive it, we will prevent a reminder/warning bill or cancellation notice from being issued. Use Safety's PowerDesk to report your receipt of these payments.~~

~~**Payments on policies with pending cancellations.** You may report these payments prior to the cancellation effective date. Although the payment will not be credited to the account until we receive it, we will stop the pending cancellation immediately. Use Safety's PowerDesk to report your receipt of these payments.~~

~~Although we provide this payment notification feature to you, we do prefer if policyholders pay Safety directly by using the return envelopes enclosed with their bills. Please remind your policyholders to allow ample time for the Postal Service to make delivery.~~

Continued on next page

~~Collecting Payments, Continued~~**Processing Payments**

Process premium payments as follows:

1. Record the payment using Power Desk.
2. Complete the Direct Bill Single-Payment or Multi-Payment Transmittal form – even if you are only submitting one payment to Safety.
 - a. The Direct Bill Single-Payment and Multi-Payment Transmittal forms are available in the *Agent Forms* section of the AVC.



Always double-check policy numbers and calculations prior to submitting transmittal forms. We reserve the right to return transmittal forms that contain errors.



Forward payments to Safety on the same day you receive them. Do not hold payments under any circumstances.

3. Staple all checks to the front of the transmittal form and staple all supporting documents to the back.
4. Mail the form and check(s) to Safety in the green-bordered Billing Department envelope. When policyholders pay with cash, list the payment in the “producer” column and issue an agency check for the total of that column. Always double-check your calculations.



Never send cash through the mail.

5. Keep a copy of the transmittal form for your records.

Lockbox Payments

Mail checks that are accompanied by our payment stub to our lockbox at:

Safety Insurance
P.O. Box 4324
Woburn, MA 01888-4324

Do not enclose more than one customer's payment in the same envelope.

Payments not accompanied by payment stubs

Mail payments that are not accompanied by our payment stub to:

Safety Insurance
P.O. Box 55089
Boston, MA 02205-5089