

Major Features

Bill Plans

The total premium for an automobile policy is due and payable at the beginning of the policy period, unless the insured chooses to pay on an installment basis as agreed upon by the Company and insured. A billing account is established for each policy and the account is billed on the same day each month. Insureds will have the option of selecting their bill day or having it assigned by the company. The company will assign a bill day that is ten days after the effective date of the policy. A request to change the bill day can be accommodated at any time during the policy period.

Bill Plans – Automobile New Business

BILL PLAN	DOWN PAYMENT AMOUNT*	# OF INSTALLMENTS – INSTALLMENT %	BILLING DAYS
Full Pay	100%	-	Due prior to policy issuance
Two Pay	56%	1 at 44%	56% due prior to policy issuance 44% due on day 180
Three Pay	38.4%	1 at 35.2% 1 at 26.4%	38.4% due prior to issuance 35.2% due on day 120 26.4% due on day 240
Six Pay	20.8%	4 at 17.6% 1 at 8.8%	20.8% due prior to issuance 17.6% due on days 60, 120, 180 & 240 8.8% due on day 300
Monthly	12%	10 at 8.8%	12 % due prior to policy issuance 8.8% due every month after policy begins.

* Eligibility is determined in accordance with Underwriting guidelines. The down payment is billed with the initial invoice and is due on or after the effective date of the policy. Any amount paid with the application will be applied to the down payment amount and reflected on the down payment bill.

**Bill Plans –
Automobile
Renewal**

BILL PLAN	DOWN PAYMENT AMOUNT	# OF INSTALLMENTS – INSTALLMENT %	BILLING DAYS
Full Pay	100%	-	Due prior to policy issuance
Two Pay	50.02%	1 at 49.98%	50.02% due prior to policy issuance 49.98% due on day 180
Three Pay	33.36%	2 at 33.32%	33.36% due prior to issuance 33.32% due on days 120 & 240
Six Pay	16.7%	5 at 16.66%	16.7% due prior to issuance 16.66% due on days 60, 120, 180 & 240
Monthly	8.37%	11 at 8.33%	8.37 % due prior to policy issuance 8.33% due every month after policy begins.

Payment Options	<p>Our billing system offers our customers several options in paying their premiums. Customers may take advantage of any of the following payment options:</p> <ul style="list-style-type: none">▪ Payment by check mailed to our remittance operation along with the return portion of their invoice▪ Automated electronic funds withdrawal (EFT) from their bank account according to their bill plan schedule. The insured may choose the day of the month for the withdrawals.▪ Automated charges to a credit card according to their bill plan schedule. The insured may choose the day of the month for the charges.▪ On request EFT withdrawal from their bank account by contacting our customer service representatives prior to the due date of any insurance bill.▪ On request charge to their credit card by contacting our customer service representatives prior to the due date of any insurance bill.
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Installment Fees	<p>A fee shall be applied to each installment, including the down payment, unless the insured has selected the full pay plan. Installment fees may be avoided by paying the account balance in full.</p>
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See attached, Exhibit A, for billing fee schedule for your state.

NSF Fee	<p>An NSF fee is assessed when checks or electronic funds transfers are returned by the bank for insufficient funds.</p>
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See attached, Exhibit A for billing fee schedule for your state

Billing Cycle	<p>Generally, customers will be given 17 days to pay each insurance bill issued. If the minimum amount due is not received by the due date a direct notice of cancellation is issued to the customer. The cancellation notice provides that the policy will be reinstated if payment is received by the due date shown on the notice.</p>
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Additional Down Payment Requirements	<p>A company may require deposit premium prior to the issuance of a policy provided the deposit does not exceed 30% of the applicable annual premium for the insurance requested. If the applicant has been in default in the payment of any premium for automobile insurance during the preceding 24 months, the entire policy premium charges may be payable in advance.</p>
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Endorsement Processing

Endorsements are spread evenly over remaining installments. The following chart details how endorsements will be billed:

Payment Method	Additional Premium Endorsement	Return Premium Endorsement
Non-EFT and Non-Credit Card Customers	<p>If The policy term has future installments remaining</p> <p>Then... The additional premium is spread equally over the future installments. If there is an outstanding bill, this bill is never increased by an additional premium endorsement.</p> <p>If... No installments remain,</p> <p>Then... The endorsement will be billed in full on the next account bill day.</p>	<p>If The policy term has future installments remaining</p> <p>Then... The return premium will be spread equally over future installments, including any installments currently being billed.</p> <p>If... No installments remain,</p> <p>Then... The endorsement credit will apply to any other policy term with a debit balance.</p> <p>If... the account balance is a credit,</p> <p>Then... The amount will immediately be refunded to the insured.</p>
Repetitive EFT and Repetitive Credit Card Customers	<p>The endorsement will be spread equally over any future withdrawals for the policy term being endorsed.</p> <p>If no withdrawals remain, an additional draw notice will be issued to the insured on the next account bill day.</p>	<p>The endorsement will be spread equally to reduce any future withdrawals for the policy term being endorsed.</p> <p>If the account balance is a credit, the amount will immediately be refunded to the insured.</p>

**Payment
Reconciliation**

Payments will be applied to accounts in a uniform and consistent order with the emphasis on preventing policies from canceling. The order in which payments will be applied to balances is:

1. Minimum premium amount due on policies where a direct notice of cancellation is outstanding
2. Past due amounts on all active policy terms
3. Past due amounts on any canceled or expired policy terms
4. Past due fees
5. Current due amounts on all active policy terms
6. Current due canceled or expired policy terms
7. Current due fees
8. Future installment amounts

Refunds

Overpayments and premium credits will be refunded to the insured when the **entire account** has a credit balance. If one policy term develops a credit, that credit amount will be applied to any outstanding balances on other policy terms first. If no balances exist on those other policy terms, the credit will be disbursed immediately to the insured.

Exhibit A: Billing Fee Schedule

State of **Massachusetts** Billing Fee Schedule

Service Fee	EFT Fee	Late Fee	NSF Fee
\$5.00	\$2.00	\$12.00	\$15.00

Major Features

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Bill Plans – Automobile New Business

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Payment Options	<p>Our billing system offers our customers several options in paying their premiums. Customers may take advantage of any of the following payment options:</p> <ul style="list-style-type: none">▪ Payment by check mailed to our remittance operation along with the return portion of their invoice▪ Automated electronic funds withdrawal (EFT) from their bank account according to their bill plan schedule. The insured may choose the day of the month for the withdrawals.▪ Automated charges to a credit card according to their bill plan schedule. The insured may choose the day of the month for the charges.▪ On request EFT withdrawal from their bank account by contacting our customer service representatives prior to the due date of any insurance bill.▪ On request charge to their credit card by contacting our customer service representatives prior to the due date of any insurance bill.
Installment Fees	<p>A fee shall be applied to each installment, including the down payment, unless the insured has selected the full pay plan. Installment fees may be avoided by paying the account balance in full.</p> <p>See attached, Exhibit A, for billing fee schedule for your state.</p>
NSF Fee	<p>An NSF fee is assessed when checks or electronic funds transfers are returned by the bank for insufficient funds.</p> <p>See attached, Exhibit A for billing fee schedule for your state</p>
Late Fee	<p>A late fee is assessed if the policyholder fails to pay the minimum amount due by the due date shown on the Insurance Bill.</p>
Billing Cycle	<p>Generally, customers will be given 17 days to pay each insurance bill issued. If the minimum amount due is not received by the due date a direct notice of cancellation is issued to the customer. The cancellation notice provides that the policy will be reinstated if payment is received by the due date shown on the notice.</p>
Additional Down Payment Requirements	<p>A company may require deposit premium prior to the issuance of a policy provided the deposit does not exceed 30% of the applicable annual premium for the insurance requested. If the applicant has been in default in the payment of any premium for automobile insurance during the preceding 24 months, the entire policy premium charges may be payable in advance.</p>

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Exhibit A: Billing Fee Schedule

State of **Massachusetts** Billing Fee Schedule

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- Automated electronic funds withdrawal (EFT) from their bank account according to their bill plan schedule. The insured may choose the day of the month for the withdrawals.
- Automated charges to a credit card according to their bill plan schedule. The insured may choose the day of the month for the charges.
- On request EFT withdrawal from their bank account by contacting our customer service representatives prior to the due date of any insurance bill.
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Installment Fees A fee shall be applied to each installment, including the down payment, unless the insured has selected the full pay plan. Installment fees may be avoided by paying the account balance in full.

See attached, Exhibit A, for billing fee schedule for your state.

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Billing Cycle Generally, customers will be given 17 days to pay each insurance bill issued. If the minimum amount due is not received by the due date a direct notice of cancellation is issued to the customer. The cancellation notice provides that the policy will be reinstated if payment is received by the due date shown on the notice.

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Exhibit A: Billing Fee Schedule

State of **Massachusetts** Billing Fee Schedule

Service Fee	EFT Fee	Late Fee	NSF Fee
\$5.00	\$2.00	\$12.00	\$15.00