

“Letter of Security”

SPECIAL BULLETIN

New Premium Payment Installment Plan

To All Security Agents:

January, 2014

We are in the process of migrating to a new processing platform. The first phase of this conversion will be the introduction of a new premium payment installment plan for **NEW BUSINESS ONLY** in the following products: **Standard Homeowners, UltraSecurity Homeowners & Tenants** policies. Our “go live production date” will be **February 3, 2014**, which means all **New Business** for these products processed on and after this date will be subject to this new installment plan. The new Pay Plans are a function of annual Premium size:

\$65 & under: 1 Pay and full premium must accompany application

\$66 -\$199: 3 Pay – will be 40% down payment (required)/30% each of the remaining 2

\$200-\$374: 6 Pay – will be 25% down payment (required)/15% each of the remaining 5

\$375 & up: 9 Pay- will be 20% down payment (required)/10% each of the remaining 8

There are 30 days between each installment. Payment plans cannot be changed and exceptions to the premium requirements are not possible.

Service Fees: There is no service for the down payment and there will be a \$6 Fee for each billed installment. No service fee will be charged if the insured pays in advance & no bill is generated, e.g. Insured pays \$200 which covers installment 1, 2 & 3; no service fee on 2 & 3.

Equity Cancellation: Policies will remain in effect until the premium equity is depleted. Cancellation Notices will be generated 18 days before premium equity exhaustion.

Commission Statements: Agents will receive 2 commission statements (available through Agent Express, just as it is now) until the Company has fully completed the migration of all of our business to this new processing platform.

Agents will be advised as new functionality becomes available on this platform. There are no changes to the rating, coverage's or policy procedures for these lines of business. As always, feel free to contact your Marketing Representative or our Billing Department at 1-800-822-1232.

Sincerely,

Tom Randall
Director of Marketing

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