

InsuraSphere

**BILLING SYSTEM
PROCEDURE
MANUAL**



EFFECTIVE: February 2019

DIRECT BILL PROGRAM

INTRODUCTION

The Security Mutual InsuraSphere Direct Bill Program bills the insured directly for premiums for new and renewal business and policy changes.

AGENT ONLINE INQUIRIES

Agents have access to billing information, Policy DEC pages and notices through our web based site "Agent Xpress" which can be found at <http://www.securitvmutual.com>, click on Agent, & Current Agent. Agency usernames and passwords can be obtained by calling our office.

PROGRAM DESCRIPTION

The system is designed to bill on an annual basis. The payor has the option to:

1. Pay the entire premium due
2. Sign-up for Autopay with Electronic Funds Transfer (EFT) - *no service fees charged*
3. Use the payment plan option

When # 3 is selected, a \$6.00 service charge will be charged on each installment after the first payment. Payments may be made by check, money order, credit card (VISA, MC, DISCOVER & AMERICAN EXPRESS), or EFT, including payment on our website at <http://www.securitvmutual.com> Click on 'Make a Payment'.

The payment plans are dependent on the Policy Premium and cannot be changed.

- 1 Pay = Policy premium of \$65 or less**
- 3 Pay = Policy premium of \$66 to \$199 (40/30/30)**
- 6 Pay = Policy premium of \$200 to \$374 (25/15/15/15/15/15)**
- 9 Pay = Policy premium of \$375 or more (20/10/10/10/10/10/10/10/10)**

As stated above, \$6.00 service fees are charged on each billed installment, excluding the first payment - unless policyholder signs up for EFT Autopay.

BILLING CYCLES

A. NEW BUSINESS

All applications must include a down payment by check or credit card, even if being setup on EFT Auto-Pay. If the payment is less than the full premium, the system will generate a bill either at the time of policy issuance or at inception, whichever is later. All subsequent installments plus the \$6.00 service charge (no fees with EFT Auto-Pay), will be due 30 days apart. All bills are generated 22 days prior to the due date unless a non-payment of premium notice is pending.

B. ANNIVERSARY OR RENEWAL PREMIUMS

The premium is billed 33 days prior to the anniversary or renewal date.

If the payment plan option is selected, the percentage due on the first installment is dependent on the total Premium (see Program Description above) due at the anniversary or renewal date. All subsequent installments will be 30 days apart. All bills are generated 22 days prior to the due date unless a non-payment of premium notice is pending. On all multi-pay plans, after the initial installment a \$6.00 fee will be added to the remainder of the installments, unless the Policyholder is enrolled in the EFT Auto-Pay plan.

C. ESCROW and "OTHER PAYOR" BILLING

Escrow and "Other Payor" billings will be on an annual basis and due on the anniversary date. The payment plan option and EFT Auto-pay are not available. Escrow and "Other Payor" bills as well as any return premiums will be sent directly to the payor or party who made the payment.

D. SPECIAL SITUATIONS

The payment plan option will be denied and full payment of the annual premium will be required in situations involving repeated late payments or in situations deemed necessary per our underwriting department. Also, the agency may be listed as payor in special situations with prior approval from the company.

MINIMUM PREMIUM

There is a minimum premium requirement of \$66.00 for use of the payment plan option.

DIRECT BILL INSTRUCTIONS

A. NEW BUSINESS

All policies shall be applied for with a signed, completed application and a down payment. In some cases a single annual payment may be required with the application. To avoid service charges and notices, the down payment should equal the annual premium, or include the completed EFT Auto-Pay enrollment with the down payment.

B. RENEWAL BUSINESS

All policies will automatically be renewed under the Direct Bill Program. An expiration list will be available on Agent Xpress 90 days prior to expiration. The list should be reviewed and returned within 60 days, with both renewal instructions and direct bill instructions, if changes are required.

PREMIUM BEARING ENDORSEMENTS

If the endorsement is issued during the installment period, the remaining **unbilled** installments will be adjusted to reflect increase or return premium. The current installment bill must be made as billed. Only the future installments will reflect the endorsement changes.

If the endorsement is issued after the total premium has been paid, the full endorsement premium will be billed and due in 33 days. If the endorsement generates a return premium, a check will be issued to the payor.

CANCELLATION and REINSTATEMENT

If payment is not received by the due date, policies will remain in effect until the Premium Equity is depleted. A cancellation notice will be issued 18 days prior to the depletion of the premium equity date. A \$25.00 charge will be added to the amount due.

If the premium payment is received prior to the effective date of the cancellation, the policy will be reinstated with no lapse in coverage.

If payment is received after the effective date of cancellation, a new policy may be issued at the option of the Company. In no event will payment received after the effective date of the cancellation guarantee that coverage will be reinstated.

If an insured's check is returned for insufficient funds, the Company will request from the insured, a bank check, cashier's check, a money order, or a valid credit card number for payment in the amount of the payment plus a \$25.00 NSF fee. The policy will be subject to normal cancellation procedures.

PAYMENT: UNDERPAYMENT, OVERPAYMENT OR DECLINATION

If payment received is less than the amount due, an Underpayment Notice will be generated, and a Cancellation Notice may follow depending on the amount of underpayment. If the underpayment is less than \$25.00, the amount will be added to the remaining installments. If there are no remaining installments, or the amount of underpayment is more than \$25.00, then Cancellation Notices will be sent.

Overpayments will result in equal adjustments to remaining installments, if applicable, or a return premium check will be issued if it's over \$5.00. Amounts of \$5.00 or less will be carried forward to the next policy term. The System will generate an Overpayment Notice only on fully paid policies.

If coverage is declined or canceled, the unearned premium check will be issued and sent to the insured or payor, based on who paid the premium.

If the application is declined prior to issuance of a policy, or depositing of the check by the company, the insured's check will be returned to the Agency.

PAYMENTS MADE TO THE AGENCY

On occasion the Agent will receive payment from the insured or payor for different reasons. To avoid any problems or delinquencies, caused by the deviation from payment procedures, the following steps should be taken by the Agent:

1. All payments received via a personal check should be uploaded to our ACH payment page on our website (<http://www.securitymutual.com>). Authorization of ACH Payment must be received from the Policyholder prior to upload.
2. All payments received via cash should be uploaded to our ACH payment page on our website (<http://www.securitymutual.com>) out of the Agent's checking account.
3. **All payments received via a Mortgage Company check or On-Line Bank check should immediately be sent to the Company along with the Billing Notice.** If the notice is not available, please include the insured's name and policy number.
4. All payments received via a credit card should be uploaded to our Credit Card payment page on our website (<http://www.securitymutual.com>).

AGENTS COMMISSIONS AND ACTIVITY REPORTS

Agent Commissions will be paid on the full annual premium once 25% of the annual premium has been paid. In the event of cancellation of the policy the return commission will be computed in the same manner and charged against the Agents Commission Account.

Commissions will be mailed or transferred via ACH on the 10th of the following month or the first business day following the 10th, if the 10th falls on a weekend or holiday.