

Account Billing Manual

ACCO8010 (2/17)

Table of Contents

Direct Bill Accounts

Account Billing Policies and Procedures	1
Account Payment Options and Returned Payments	2
Check	
Recurring Electronic Payment	
Recurring Credit Card Payment	
Credit Card	
Electronic Check On-Line	
Non-Sufficient Funds/Returned Check	
Personal Auto Billing Plans	3
Billing plans (other than Personal Auto)	4
Installments	5
E-Billing	6
Payment Guidelines	7
Date Due and Billing Cycle.....	8
Cancellations and Reinstatements	9
Uncollected Earned Premiums	
Late Payments on Direct Bill Accounts	10
Endorsements	11
Producer Codes and Commissions	12
Direct Bill New Business Down Payment Guidelines	13

Agency Bill Accounts

Company Prepared Agency Account	14
Producer Codes	
Agency Billed Installments	

Agency Resources

Online Agency Payments	15
------------------------------	----

Policy Express

Billing Options	16-21
Down Payment Options	22
Down Payment Guidelines	23

<u>Monthly Self Audits</u>	24
---	----

Account Billing Policies & Procedures

Account Billing Program

Hastings Mutual Insurance Company's Account Billing Program is designed to emphasize account selling. Some highlights:

- All of a client's policies (except "Mortgagee Pays") may be combined in a single account.
- It is the agent's responsibility to advise the Company when policies are to be billed on the same account.
- The Company will not combine policies into an account bill unless instructed to do so by the agent.
- There is no limit to the number of policies that may be added to an account.
- Policies on the same account do not need to have common effective dates or bill plans.
- Date Due may be selected on any day of the month.
- Use Form 2-972 to establish or change an account.

Payment Options & Returned Payment

Payment Options

Payment may be made by:

- Mailing a check to Hastings Mutual Insurance Company in the envelope provided with the invoice. **IMPORTANT: Payments with special instructions must be sent to: Hastings Mutual Insurance Company, 404 E. Woodlawn Ave., Hastings, MI 49058.** Payment by check may be converted to an electronic Automated Clearing House (ACH) debit transaction.
- Choosing the Recurring Electronic payment option allows for the automatic withdrawal of the amount due from the payer's checking or savings account. The customer may enroll in **Recurring Electronic payments** by going to the Hastings Mutual website. Direct Bill invoices should be paid until a Notice of EFT Withdrawal is received.
- Choosing the Recurring Credit Card payment option allows for the automatic charge to the payer's Visa®, Mastercard® and Discover Card®. The customer may enroll in **Recurring Credit Card payment** option by visiting the Hastings Mutual website. Direct bill invoices should be paid until a Notice of Credit Card Transaction is received.
- Using a credit card or electronic check on-line via **www.hastingsmutual.com** in the *Policyholders Resources* or *Agency Resources* area.
- Using a credit card and calling the Customer Service Department at Hastings Mutual at 800-442-8277, Ext. 1572.

For all credit card payment options, only Visa®, Mastercard® and Discover Card® are accepted.

Electronic Check, Credit Card, and Returned Checks

If a credit card or electronic check transaction is not honored or a check is returned from the bank for non-sufficient funds (NSF), the payment credited to the account is reversed. A charge of \$20.00 is made for each NSF check or electronic check that is processed.

Personal Auto Billing Plans

	Bill Plan	Description	Down Payment for New Business
Michigan Personal Auto			
6 Month term policies	Full Pay	Single Pay Billing	Full Premium
	Quarterly*	2 Installments	One Installment
	Bimonthly**	3 Installments	One Installment

* Not available for policies with a VIP tier of Vertex, Basic, or No Hit/No Score.

Not available for policies for which one or more of the following is true:

- No private passenger vehicle with full coverage which includes comprehensive, collision and liability
- Minimum liability limits: 20/40 Bodily Injury and/or 10,000 Property Damage
- No prior carrier (unless returning military)

Refer to Underwriting Department for exceptions.

** Policy must be on an account using Recurring Electronic Payment or Recurring Credit Card.

Not available for policies with a VIP tier of Vertex, Basic, or No Hit/No Score.

Not available for policies for which one or more of the following is true:

- No private passenger vehicle with full coverage which includes comprehensive, collision and liability
- Minimum liability limits: 20/40 Bodily Injury and/or 10,000 Property Damage
- No prior carrier (unless returning military)

Refer to Underwriting Department for exceptions.

Policies not qualifying for installments at inception or renewal but subsequently meeting the requirements to be eligible for an installment plan must remain on full pay for two policy terms. Bill plan changes to an installment plan may be requested after policy eligibility rules and the two term requirement is met.

Illinois Personal Auto

6 Month term policies	Full Pay	Single Pay Billing	Full Premium
	Quarterly*	2 Installments	One Installment
	Bimonthly*	3 Installments	One Installment
	Monthly**	6 Installments	Two Installments

* Not available for policies with a VIP tier of Vertex, Basic or No Hit/No Score.

** Not available for policies with a VIP tier of Vertex, Basic or No Hit/No Score. Policy must be on an account using Recurring Electronic Payment or Recurring Credit Card Payment.

Indiana, Iowa, Ohio, and Wisconsin Personal Auto

6 Month term policies	Full Pay	Single Pay Billing	Full Premium
	Quarterly	2 Installments	One Installment
	Bimonthly	3 Installments	One Installment
	Monthly*	6 Installments	Two Installments

* Policy must be on an account using the Recurring Electronic Payment or Recurring Credit Card Payment options.

Billing Plans - Other Than Personal Auto

	Bill Plan	Description	Down Payment for New Business
12 Month term policies	Full Pay	Single Pay Billing	Full Premium
	Semiannual	2 Installments	One Installment
	Quarterly	4 Installments	One Installment
	Bimonthly*	6 Installments	One Installment
	Monthly	12 Installments	Two Installments

* Installments are billed every other month.

Deferred down payment is not available for monoline General Liability (GL) policies.

- *General Liability* policies with annual premiums of \$500 or less must be issued on a full annual pay basis.
- *General Liability* policies with annual premiums greater than \$500 are eligible for a semi-annual, direct bill payment option.
- *General Liability* policies with supporting *Commercial Auto* and/or *Workers' Compensation* policies exceeding a combined account premium of \$2,000 are eligible for all available billing plans. **Important: The supporting coverage need not be billed on the same account as the *General Liability* policy.**

IMPORTANT: Escrow bill policies can only be a **Full Pay bill plan**.

BILL TO: Name and Address

The payer's name and address may be different from the policyholder's name and address.

All Premium Invoice related correspondence is mailed to the payer of the account.

Installments

Installments

To calculate the installment amount, divide the total policy term premium by the number of installments of the selected bill plan. Installments are determined from the effective date of the policy and will not exceed the policy expiration date.

For new business, send a down payment equal to one installment for policies on the Full Pay, Semiannual, Quarterly, or Bimonthly bill plans or two installments on the Monthly bill plan.

A \$6.00 billing charge is added to each regularly scheduled installment invoice. There is no billing charge for escrow billed accounts or accounts using the Recurring Electronic payment option.

eBilling

By using ***eBilling*** the policyholder may receive premium billings electronically instead of receiving a paper bill delivered by the U.S. Postal Service.

With ***eBilling***, they will receive notification of an amount due on their account by e-mail. E-mail expedites delivery to the policyholder. Utilizing the links to the Hastings Mutual Web site to make a payment eliminates postage and the risks involved with mailing a check.

It is easy to subscribe to this free service:

- 1) The policyholder accesses the web site at www.hastingsmutual.com
- 2) The policyholder clicks on *Policyholders Resources*, then clicks on *Subscribe to eBilling*.
- 3) The account number and the agency number (obtained from the policy or Premium Invoice) are entered in the required fields, then click on *Login*.
- 4) The policyholder enters their e-mail address (the ***eBilling*** address) and clicks on the *Subscribe to eBilling* box, and then clicks on *Continue*.

The policyholder will receive an e-mail from Hastings Mutual to confirm that the account was successfully subscribed to ***eBilling***.

Important: By subscribing to the ***eBilling*** service, the policyholder agrees to receive all premium invoices electronically. The policyholder can unsubscribe at any time by returning to the ***eBilling*** page of the web site and “unclicking” the *Subscribe to eBilling* box.

The ***eBilling*** e-mail address may be changed by keying the new address into the e-mail address form fields on the ***eBilling*** web page.

Should we find that the e-mail address provided by the policyholder becomes inactive or undeliverable, all future premium invoices will be mailed via the U.S. Postal Service to the bill to address on the account.

Payment Guidelines

Payment Guidelines

- No less than the minimum due on the Premium Invoice Statement must be paid by the Date Due to stop cancellation of the policies listed on the statement. The account balance may be paid in full or any amount greater than the minimum due may be paid.
- Payments will apply to fees first, then to premium.
- Overpayments will apply proportionately to open balances on the account. Refunds will be issued after the account balance is paid in full.
- Underpayments will apply proportionately to open balances on the account and may cause the policies on the account to cancel for nonpayment.
- To have payments applied in a specific manner other than the amount billed or other than proportionate to the open balances, the payment should be mailed with specific instructions to: Hastings Mutual Ins. Co., 404 E Woodlawn Ave., Hastings MI 49058. Do not mail payments needing special handling with the envelope provided with the billing.
- In some cases, endorsements may reduce the minimum amount due. The current amount due may be confirmed by viewing the Insurance Account Detail on the Hastings Mutual website in the *Policyholders Resources* area or by calling 1-800-442-8277 Ext. 1572.
- **Never instruct a customer to not pay a bill.** Nonpayment of a bill will cause policies on the account to cancel. Past due amounts are **not** rebilled.
- Payments received on accounts with policies cancelled for nonpayment may be applied to open balances on the account or be returned if there is no amount due on the account. Payments received in the agent's office before the cancellation date, but received by Hastings Mutual after the cancellation date, must be sent to 404 E Woodlawn Ave., Hastings MI 49058 with correspondence indicating the cancellation dates of the policies being paid, the amount paid for each policy and the date received in the agent's office.
- Please allow up to three business days for payments made through the Hastings Mutual website *Policyholders Resources* area to apply to the insured's account. Allow up to two days for payments made through the Hastings Mutual Website *Agency Resources* area to apply to the insured's account.

Date Due and Billing Cycle

Date Due

The premium "Date Due" is the day of the month that installment payments are due in our office. The payer may choose any day of the month as the "Date Due"; however, if no "Date Due" is selected for the account the "Date Due" is the "day" of the effective date of the first policy processed to the account. A common premium "Date Due" is necessary for all policies on the same account as all amounts due are billed on the same day of the month.

Billing Cycle

Billings are issued 20 days in advance of the Date Due. Mortgagee billed policies are billed 30 days in advance of the Date Due. Notification of recurring electronic payment withdrawal is issued 15 days in advance of the due date.

Endorsements do not cause an account to reissue a bill. Debit endorsement earned premium is billed on the next invoice. The remaining premium, if any, is spread to any unbilled installments. Credit endorsements are applied to the unpaid balance on the policy and may reduce an amount already billed. Both the Agency Resources and Policyholder sections of the Hastings Mutual website show the "current amount due". The "current amount due" will reflect any changes in the premium as a result of an endorsement processed after the invoice was mailed. There is only one billing per month. The next billing will not be mailed until the current amount due is paid.

All policies on the account will have the same Date Due even if they do not have common effective dates. The effective date of the installment will determine how the installment will be billed in conjunction with the Date Due. For example if the account Date Due is the 15th of the month and the policy is effective June 16, the installment will be due on July 15. Adjustments may be made to make the installment due on June 15. Please call the Billing Department Customer Service 1-800-442-8277 Ext. 1572 to request an adjustment.

Cancellations & Reinstatement

Cancellations

Policies will be cancelled if the minimum amount due is not paid. Cancellation for nonpayment of premium is on a paid premium (equity) basis.

Do not allow a policy to cancel for nonpayment of premium. If insurance coverage is no longer desired, a signed Lost Policy Release form or the original policy should be forwarded for cancellation.

Reinstatement of Policies Cancelled for Nonpayment of Premium

Policies Eligible for Reinstatement - If payment is received, prior to cancellation effective date, reinstatement is contingent upon the check clearing the bank. A \$15.00 fee is charged for all policies receiving a cancellation notice for non-payment of premium. A \$6.00 billing fee is charged for all NSF charges billed.

Policies Not Eligible for Reinstatement - If payment is received after the effective date and time (12:01 a.m.) of cancellation, the payment is applied to any earned premium unpaid on the account; any excess money is refunded.

Policies cancelled for "Underwriting Reasons" are not eligible for reinstatement. Any appeal of the above procedures should be referred to the Underwriting Department.

Uncollected Earned Premium

Any uncollected earned premium from cancelled policies will cause an invoice for this premium to be sent to the payer. If the earned premium remains unpaid, the file may be referred to a collection agency.

Late Payments on Direct Bill Accounts

The Account Balance may be paid in part or in full, but no less than the Minimum Due must be received in our office by the Date Due. Late payment of the amount due will result in a \$15.00 fee.

Hastings Mutual will bill the amount due for an account 22 days prior to the "Date Due". If we do not receive the premium by the "Date Due", we will automatically wait another five days before processing a cancellation of a policy for non-payment of premium. (This period of five days has been established to allow for mail-time.) The actual "Notice of Cancellation" has an effective date 16 days in the future.

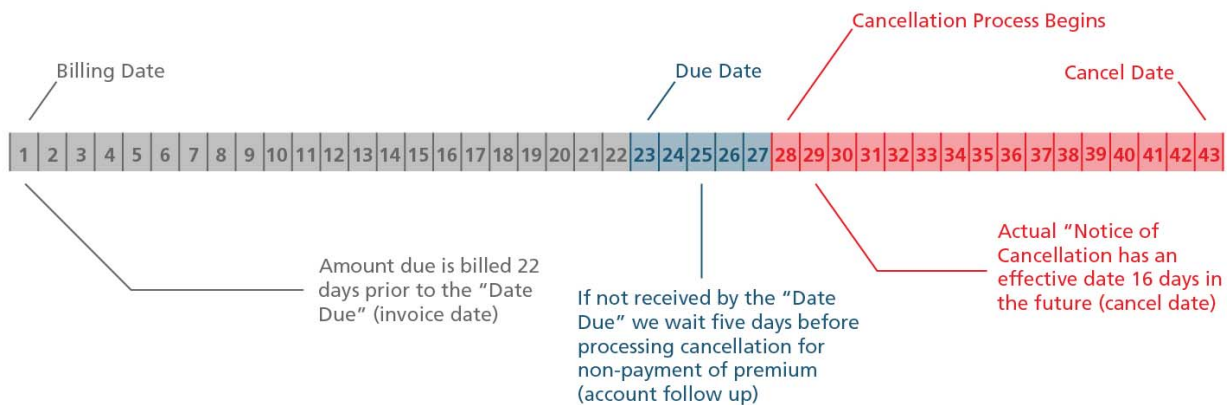
Example:

Billing "date due" is June 1

- The policy is billed on May 10 with a "Date Due" of June 1.
- Payment is not received by June 6.
- Cancellation is processed on June 6, with an effective date of cancellation of June 22.

If payment is received by 12:01 a.m. on June 22, the policy will remain in force. If a payment is received after 12:01 a.m., June 22, it is a late payment. The policy has already cancelled and the late payment will be returned to the insured.

Payment Timeline



When your insured has missed paying an account with Hastings Mutual by the "Date Due" and has found the time to be very near the "Cancellation Date", the problem then becomes "How do we get a payment to Hastings Mutual in time to avoid cancellation of a policy?"

Hastings Mutual offers an online payment option in the Agents and Policyholders sections at our web site. The payments are counted as received the day they are entered, however, the account information is not updated until the next business day. Allow up to three business days for credit card payments to post to accounts.

Endorsements

Endorsements (Additional or Return Premium)

Additional or return premiums generated by endorsement are billed based on the effective date of the endorsement. All earned premium is billed with the first Premium Invoice Statement after the endorsement is processed. The remaining premium is divided equally among the unbilled installments for that policy. All earned premiums are invoiced within one month based on the account's "Date Due". Return premium will generally reduce any outstanding amount on the account.

Return premium checks are issued payable to the "payer" and sent to the agency for distribution. Escrow billed accounts will be returned to the Mortgage or Escrow company paying the premium.

Producer Codes & Commission

Producer Codes

Any agency may establish a producer code (two character only) to assign a producer to a specific policy. Policies issued with this designation are so identified on the agency's monthly commission statement. Premiums and commissions are subtotaled by producer code.

Commission

Hastings Mutual provides a monthly commission statement. This statement includes all items that have been posted by the Company and are effective during the month. Commission is paid on a net written premium basis.

Direct deposit of direct bill commission is available on request. Please use Form 5-153 and 5-155 for activation of this service.

Direct Bill New Business Down Payment Guidelines

Other than Policy Express

The following rules do not apply to policies that are part of a formal book transfer (roll-over).

Personal and Farm lines down payment requirement

Down payment is required for all direct billed policies except for Personal Umbrella (ULP) policies, policies on escrow billing or applications received more than 30 days before the effective date of the policy.

If down payment is not received for a policy requiring a down payment, the policy **will be billed to the agency on the agency's monthly account statement**. We will select an agency bill payment plan as similar as possible to the requested direct bill payment plan. For example, if the application requested a direct bill monthly installment plan, the policy will be issued as agency bill, 20% down payment 8 monthly installments. At renewal, the policy on the account will be automatically changed to direct bill with the original requested pay plan. **These policies are not eligible to be direct billed until renewal. No exceptions will be made.**

Commercial lines down payment requirement

Down payment may be deferred for direct billed commercial policies with an account premium of \$2000 or greater, except General Liability (GL). The down payment may not be deferred for monoline General Liability (GL) policies. The first billing installment will reflect the amount owed from the effective date of the policy to the billing date.

Payment Options

Check or Money Order: Check or money order may be attached to the policy application. Please be sure that the insured's name is on the check. If one check is paying for more than one policy, indicate the policy symbol and the amount to be applied to each policy.

Credit Card: The credit card payment will be processed before the policy is issued.

A down payment equal to two monthly installments should be sent for policies on the monthly bill plan. Down payments by check or credit card are required for policies requesting the Recurring Electronic Payment or Recurring Credit Card payment option. The down payment cannot be electronically withdrawn from the customer's bank account.

Agency Bill

Company Prepared Agency Account

An Agency Account will be sent to you approximately 10 days following the end of the month. The Agency Account, month of January for instance, will be sent approximately February 10th.

If any errors or differences are found, the agency should communicate them promptly to our Accounting Department so they may be resolved. The Agency Account should be **paid as rendered** not later than 45 days after the end of the month for which the account is rendered. Any errors or differences will be rectified on subsequent Agency Accounts. It is recommended that the check contain only the amount being paid for your account and mailed in an envelope with no other correspondence to Hastings Mutual Insurance Company. For your convenience, we recommend you visit the Hastings Mutual website and use the "Online Payment" feature in your Agent section to pay your monthly accounts.

The entry description column on the Agency Account uses the following transaction descriptions:

NEW	New Business	RENEW	Renewal Business
CANCL	Cancellation	ENDOR	Endorsement
AUDIT	Audit	RENT	Reinstatement

Producer Codes

Any agency may establish a producer code (two character only) to assign a producer to a specific policy. Policies issued with this designation are so identified on the agency's monthly commission statement. Premiums and commissions are subtotaled by producer code.

Agency-Billed Installments

Some policies billed by the agent are eligible for installment billing. This program is open for commercial and farm policies. To qualify:

- A Commercial account with a policy (or policies) must develop a minimum premium of \$3,000.
- A Farm account with a policy (or policies) must develop a minimum premium of \$1,000.

The pay plans available under the *Agency-Billed Installment Program* are:

- Annual Pay
- Semi-annual
- Quarterly
- 20% down with eight monthly installments

The **Agency-Billed Installment Program** includes a *Policy Pay Plan Summary* with each policy declaration printed. The *Policy Pay Plan Summary* is part of the policyholder's copy of the policy. It informs the policyholder that his policy is billed by the agency on an installment plan, and shows the *Date Due*, and the *Premium Amount Due* for each installment.

Personal Lines policies are not eligible for agency billed installments. Michigan Personal automobile policies may be agency billed full pay only if the policy meets the requirements for direct bill installments. Refer to page 3 for exclusions. As with all agency-billed policies, the agent is responsible for billing and collecting the premium. The premium is remitted to the Company by the agency with their monthly statement. If the policyholder fails to pay when due, it is the responsibility of the agent to notify the Company to issue a notice of cancellation for non-payment of premium. Earned premium is calculated to the cancel date and the agent is responsible for all earned premium.

Agents - Online Agency Payments

The Agents area has an **Online Payment** section. The first time this section is used, access **Update Agency Profile** to enter or verify the bank information for the account from which you wish the funds to be withdrawn. No funds are withdrawn from your account until **you** submit a request through the Online Payment section.

The Online Payment section gives you five payment choices.

- **Pay Monthly Account** - For payment of your agency billed business. You may pay your monthly and/or audit account statement online.
- **Standard Payment** - For payments received in your office. You may record up to ten payments at once. Edits confirm the account number, a screen total is calculated and the payment is electronically applied to the account.

Be sure to print the "payment confirmation" screen for your records, an e-mail copy is generated on request. Your bank account statement will reflect the screen total only.

The payments are counted as received the day entered, however, the account is updated the next business day.

- **Make A Payment For An Insured** - Use this feature for credit card payments. If an insured wants to make a payment and has a credit card, you may enter their information to make the payment.

This is an online real time entry system and you will either be notified the payment is rejected or be given a payment confirmation screen (with the confirmation number, amount and date) to print as a receipt for your customer.

- **Special Payment** - Use this feature when special instructions need to be conveyed with the payment. Reinstatement requests approved by the underwriter, date received in your office, or billing change requests may be indicated in the notes section.
- **Directed Payment** - Use this feature as directed by a Company employee. It will generally be used when the agency failed to remit cash with an application.

Policy Express Other than Personal Auto

Billing Options

Agency Bill
Direct Bill
Recurring Electronic Payment
Escrow Billing
Recurring Credit Card Payment

Agency Bill Installment Options

Annual Pay

Direct Bill Installment Options

Full Pay
Semiannual
Quarterly
Bimonthly
Monthly

A \$6.00 billing charge is added to each regularly scheduled installment invoice. There is no billing charge for escrow billed accounts or accounts using the Recurring Electronic payment option.

Recurring Electronic Payment and Recurring Credit Card Installment Options

Full Pay
Semiannual
Quarterly
Bimonthly
Monthly

A \$6.00 billing charge is added to each regularly scheduled installment invoice. There is no billing charge for escrow billed accounts or accounts using the Recurring Electronic payment option.

Policy Express

Michigan Personal Auto

6 Month Term Policies

Billing Options

Agency Bill
Direct Bill
Recurring Electronic Payment
Recurring Credit Card Payment

Agency Bill Installment Options

Annual Pay Not available for policies with a VIP tier of Vertex, Basic, or No Hit/No Score.
Not available for policies for which one or more of the following is true:

- No private passenger vehicle with full coverage which includes comprehensive, collision and liability
- Minimum liability limits: 20/40 Bodily Injury and/or 10,000 Property Damage
- No prior carrier (unless returning military)

Refer to Underwriting Department for exceptions.

Direct Bill Installment Options

Full Pay
Quarterly Not available for policies with a VIP tier of Vertex, Basic, or No Hit/No Score.
Not available for policies for which one or more of the following is true:

- No private passenger vehicle with full coverage which includes comprehensive, collision and liability
- Minimum liability limits: 20/40 Bodily Injury and/or 10,000 Property Damage
- No prior carrier (unless returning military)

Refer to Underwriting Department for exceptions.

Bimonthly Policy must be on an account using Recurring Electronic Payment or Recurring Credit Card.
Not available for policies with a VIP tier of Vertex, Basic, or No Hit/No Score.
Not available for policies for which with one or more of the following is true:

- No private passenger vehicle with full coverage which includes comprehensive, collision and liability
- Minimum liability limits: 20/40 Bodily Injury and/or 10,000 Property Damage
- No prior carrier (unless returning military)

Refer to Underwriting Department for exceptions.

Policies not qualifying for installments at inception or renewal but subsequently meeting the requirements to be eligible for an installment plan must remain on full pay for two policy terms. Bill plan changes to an installment plan may be requested after policy eligibility rules and the two term requirement is met.

A \$6.00 billing charge is added to each regularly scheduled installment invoice. There is no billing charge for escrow billed accounts or accounts using the Recurring Electronic payment option.

Policy Express

Michigan Personal Auto Continued

6 Month Term Policies

Recurring Electronic Payment and Recurring Credit Card Installment Options

Full Pay Quarterly

Not available for policies with a VIP tier of Vertex, Basic, or No Hit/No Score.

Not available for policies for which one or more of the following is true:

- No private passenger vehicle with full coverage which includes comprehensive, collision and liability
- Minimum liability limits: 20/40 Bodily Injury and/or 10,000 Property Damage
- No prior carrier (unless returning military)

Refer to Underwriting Department for exceptions.

Bimonthly

Not available for policies with a VIP tier of Vertex, Basic, or No Hit/No Score.

Not available for policies for which with one or more of the following is true:

- No private passenger vehicle with full coverage which includes comprehensive, collision and liability
- Minimum liability limits: 20/40 Bodily Injury and/or 10,000 Property Damage
- No prior carrier (unless returning military)

Refer to Underwriting Department for exceptions.

A \$6.00 billing charge is added to each regularly scheduled installment invoice. There is no billing charge for escrow billed accounts or accounts using the Recurring Electronic payment option.

Policies not qualifying for installments at inception or renewal but subsequently meeting the requirements to be eligible for an installment plan must remain on full pay for two policy terms. Bill plan changes to an installment plan may be requested after policy eligibility rules and the two term requirement is met.

Policy Express

Illinois Personal Auto

6 Month Term Policies

Billing Options

Agency Bill
Direct Bill
Recurring Electronic Payment
Recurring Credit Card Payment

Agency Bill Installment Options

Annual Pay

Direct Bill Installment Options

Full Pay
Quarterly Not available for policies with a VIP tier of Vertex, Basic, or No Hit/No Score.
Bimonthly Not available for policies with a VIP tier of Vertex, Basic, or No Hit/No Score.
Monthly Policy must be on an account using Recurring Electronic Payment or Recurring Credit Card.
Not available for policies with a VIP tier of Vertex, Basic, or No Hit/No Score.

A \$6.00 billing charge is added to each regularly scheduled installment invoice. There is no billing charge for escrow billed accounts or accounts using the Recurring Electronic payment option.

Recurring Electronic Payment and Recurring Credit Card Installment Options

Full Pay
Quarterly Not available for policies with a VIP tier of Vertex, Basic, or No Hit/No Score.
Bimonthly Not available for policies with a VIP tier of Vertex, Basic, or No Hit/No Score.

A \$6.00 billing charge is added to each regularly scheduled installment invoice. There is no billing charge for escrow billed accounts or accounts using the Recurring Electronic payment option.

Policy Express

Indiana, Iowa, Ohio, and Wisconsin Personal Auto

6 Month Term Policies

Billing Options

Agency Bill
Direct Bill
Recurring Electronic Payment
Recurring Credit Card Payment

Agency Bill Installment Options

Annual Pay

Direct Bill Installment Options

Full Pay
Quarterly
Bimonthly
Monthly Policy must be on an account using Recurring Electronic Payment or Recurring Credit Card.

A \$6.00 billing charge is added to each regularly scheduled installment invoice. There is no billing charge for escrow billed accounts or accounts using the Recurring Electronic payment option.

Direct Bill Down Payment Options

Agency Standard Payment – The down payment will be withdrawn from the Agency bank account entered in the Banking Information for Policy Express in the Update Agency Profile under the Agents section of the Hastings Mutual Insurance company website. Payment will be settled two days after the policy is submitted for issuance.

Credit Card – The down payment will be charged to the insured's credit card. This is a one-time payment and does not enroll the insured in the Recurring Electronic payment option. The payment will be settled one day after the policy is submitted for issuance.

Policy Holder One Time Electronic Payment – The down payment will be withdrawn from the insured's checking or savings account. This is a one-time payment and does not enroll the insured in the Recurring Electronic payment option. The payment will be settled two days after the policy is submitted for issuance. The agency is responsible for obtaining an authorized signature on the One Time Electronic Payment Authorization Form #PAPE7030 and for retaining the signed form in the agency office. The PAPE7030 is subject to the company audit when this payment option is used.

Recurring EFT – The down payment amount is automatically calculated based on the installment plan selected and withdrawn from the insured's bank account entered for the recurring payments. The payment will be settled two days after the policy is submitted for issuance. If the policy is issued 30 days in advance of the policy effective date, the down payment will be withdrawn on the policy due date or the due date nearest to the policy effective date if a different due date has been selected. The customer must enroll through the Hastings Mutual website after the policy has been issued.

Recurring Credit Card – The down payment amount is automatically calculated based on the installment plan selected and charged to the insured's MasterCard, Visa or Discover Card account. The payment will be settled one business day after the policy is submitted for issuance. The customer must enroll through the Hastings Mutual website after the policy has been issued.

Policy Express New Business Down Payment Guidelines

The following rules do not apply to policies that are a part of a formal book transfer (roll-over).

Personal and Farm lines down payment requirement

Down payment is required for all direct billed policies except for policies on escrow billing or applications received more than 30 days before the effective date of the policy. No less than the suggested down payment should be submitted through Policy Express.

If no down payment, the policy must be submitted as Agency billed.

Commercial lines down payment requirement

Down payment may be deferred for direct billed commercial policies with an account premium of \$2000 or greater, except General Liability (GL). The down payment may not be deferred for monoline General Liability (GL) policies. The first billing installment will reflect the amount owed from the effective date of the policy to the billing date.

Down Payments

Down payments are equal to one installment for the selected billing plan. A down payment equal to two monthly installments is suggested for policies on the direct bill monthly bill plan. Options for down payments equal to one installment or two installments are given for policies on the Recurring Electronic Payment monthly bill plan.

Down payments are not required if the policy is issued more than thirty days advance of the effective date.

Monthly Self Audit Program

MSA

The MSA program is a special account arrangement allowing the insured to pay monthly installments based on monthly self audit information.

- Approval for MSA must be coordinated between Agency and Marketing before account is eligible for the special program.
- The account must develop a minimum premium of \$3,000.
- The account will require 25% deposit payment with 12 monthly installments.
- Insured will complete a MSA worksheet and remit payment to HMIC Accounting by the 15th of each month.
- Payment must be in the form of check. No other payment types will be accepted.
- If deposit premium is not received by the 1st MSA installment due date, policy may be cancelled.
- A final Audit must be completed at the end of the policy term.

Commercial Policies

Billing Options

Agency Bill
Direct Bill
Recurring Electronic Payment
Recurring Credit Card Payment

Agency Bill Installment Options

Annual Pay
Semiannual
Quarterly
20% down with eight monthly installments

Direct Bill Installment Options

Full Pay
Semiannual *
Quarterly*
Bimonthly*
Monthly*

A \$6.00 billing charge is added to each regularly scheduled installment invoice. There is no billing charge for escrow billed accounts or accounts using the Recurring Electronic payment option.

Recurring Electronic Payment and Recurring Credit Card Installment Options

Full Pay
Semiannual *
Quarterly*
Bimonthly*
Monthly*

A \$6.00 billing charge is added to each regularly scheduled installment invoice. There is no billing charge for escrow billed accounts or accounts using the Recurring Electronic payment option.

* **Special General Liability Policy Rules**

- *General Liability* policies with annual premiums of \$500 or less must be issued on a full annual pay basis.
- *General Liability* policies with annual premiums greater than \$500 are eligible for a semiannual, direct bill payment option.
- *General Liability* policies with supporting *Commercial Auto* and/or *Workers' Compensation* policies exceeding a combined account premium of \$2,000 are eligible for all available billing plans.

Important: The supporting coverage need not be billed on the same account as the *General Liability* policy.

