

Waiving Premiums and Fees

Overview

This document provides guidelines for the circumstances in which we should waive a balance due, such as premium, loan interest, or bank overdraft fees.

Refund Reminders:

- Refunds should be completed **prior to 2:00 PM EST** each day.
- Same-day refunds should be used for escalated situations **ONLY** and require the approval of a team lead or above. The cutoff time for same-day refunds is **2:45 PM EST**. Be sure to message or call the Ops Act teammate to advise of the urgency of the refund.
- If multiple months' premiums are being refunded, include all payments into **one check or ACH** (rather than multiple.)
- Any external-facing communication must be **grammatically and factually correct**.

Guidelines

General Guidelines

- For premium or loan interest due, waive up to \$5-\$10. *Ensure this is not a repeating pattern on the policy - this waiver is a courtesy and should not be done for every payment.*
 - On Vantage, you can take the extra funds from memo code OVU.
 - On Trad, you will need to complete a GL-40 Journal Entry.
- The NB system automatically waives up to \$3.
- For bank overdraft fees, waive up to \$35. Consult a team lead or manager for exceptions for higher amounts (may require bank statement from customer).
- If waiving over \$10, be sure to complete the [Inbound Write-Off Template](#) and upload into OnBase.

Common circumstances which may allow waiving premiums

- Customer underpaid by a small amount (i.e. transcription error).
- Customer paid off a loan and a small amount of interest remains.
- We made an error on a refund.
- EFT was requested but was not set up due to H.O. error or delay.
- Customer was on EFT but was accidentally removed and no bill was sent to collect funds.
- We refunded or applied funds incorrectly.

Questions for decision-making

Tip: Escalate to leaders anytime the path to resolution is unclear.

- Is this payment likely to clear or be returned by the bank? (Have you used tools to verify identity, bank account status, etc.?)
- How many policies does the customer have with NL and how long have they been a customer?
- Was the customer merely inconvenienced or did this situation cause a detrimental situation for the status of the policy?
- Is the dollar amount for a write-off less than what the fix/remedy would cost the company?
- Is there accumulated value on the policy (i.e. can you skip instead of waiving without hurting the customer. If you do this, will there be an agent impact?)?
- Is there legal, regulatory, or reputational risk? (Ask this question in both directions – what is the risk if premium is waived or is not waived.)
- Does the client owe multiple months of premium? What is the impact of that on the customer and on the policy if that is missed? Are you using the MGP (guaranteed) or MMP (minimum monthly) for your calculation (is the DBPR still in effect)?
- Can the processor make an adjustment to the date of a loan repayment on loan payoffs? Loan payoff date might result in a loan balance remaining – instead of waiving, can you reverse the payment and apply it on a different date?
- We received a Return Item and policy cancelled or unable to reverse premium off
 - First, verify with disbursements to see if they can reverse and reprocess after we remove the payment
 - If they can't, send a letter to the client requesting funds back. If no response after a month, waive premiums up to your limit. If higher, review with team lead or manager.

Waiver Limits

- Level I - \$50.00
- Level II - \$150.00
- Level III - \$250.00
- Team Leads & Ops Accountants - \$999.00
- Team Manager - \$10,000.00 – notify Corporate Risk (Theresa Millard) if >\$5,000.00.

Waiver Accounts

- 470106 – this account should be used for waivers of Premium only.
- 470109 – this account should be used for waivers of non-Premium activity, such as loan interest or bank overdraft fees.

Tip: The two accounts shown above are the account numbers. However, the accounting unit is product-specific. Run the Lawson Accounting history to view the product's accounting unit in the top-left corner. If no accounting unit is found, the default accounting unit 9936200 can be used as a last resort.

Procedure: Filing Refund Requests and Waiver Approvals in OnBase

- All supporting documentation as determined by the batch type in which the funds were received.
 - Copy of the [EFT Transaction History](#) (P, Q, V batch)
 - Lockbox documentation (W, Y batch)
 - One line or highlighted report from CER Report (Z batch)
 - IVR Payments – based on system limitations, refund via check or contact Treasury for assistance. (X batch)
 - Refer to the [Batch Type Quick Reference Guide](#) for details on each batch type and where backups are stored.
- If waiving more than \$10, complete the [Inbound Write-Off Template](#) and a GL 40 journal entry.
- If refunding due to home office error, include documentation of the error made.
- Attach a general note to the OnBase WF record to specify the number of months of premium being refunded. This will help the disbursements team in preventing any duplicates or over payments.
- All communication with the agent and/or customer.

Sample Documentation

- [SAMPLE EFT REFUND](#)
- [SAMPLE LOCKBOX REFUND](#)
- [SAMPLE CER REFUND DOCUMENTATION](#)

Related Resources

- [Refund Requests](#)
- [Voiding and Re-Issuing Refund Checks](#)
- [Same-Day ACH Refunds](#)
- [New Refund Top Sheets](#)

Article Details

Last Reviewed	5/1/2024	Intended Audience	Billing
----------------------	----------	--------------------------	---------

Approved by	Page LeBlanc Kirstyn Rinker	Department	Payment Center
--------------------	--	-------------------	-------------------

PUBLISHED

Table of Contents	
	<ul style="list-style-type: none"> • 1 Overview • 2 Guidelines • 3 Procedure: Filing Refund Requests and Waiver Approvals in OnBase • 4 Related Resources • 5 Article Details