

It is with great pleasure and anticipation that we have restructured our pay plan options. You will find they are user friendly and more simplified for the client. Expected implementation for new business is 07/10/2012, renewals beginning 8/15/2012 the following describes the new format:

- 1 Pay One single paper billed installment, due on effective/renewal date. No EFT option.  
Endorsements bill prorated - due 15 days from endorsement transaction date.
- 2 Pay 2 equal paper billed installments, due on effective/renewal date, remainder billed 5 months later. No EFT option. Installments are subject to \$5 service fee each.  
Endorsements bill prorated 1/2 due 15 days from endorsement transaction date remainder spread over future installments, if any.
- 4 Pay 4 equal installments - paper bill installments are subject to \$5 service fee each.  
Endorsements for paper billed installments will bill X of endorsement prorated - due 15 days from endorsement transaction date, remainder spreads over future installments, if any.  
Recurring EFT installments are available with no service fee. Election of draft date is not optional. *Completed application must be received minimum 15 days prior to effective date to participate.* Endorsement will spread over remaining installments. Both options are due at effective/renewal date and every 2 months thereafter.
- 10 Pay 16.67% required down with remaining installments due each month on the day of the effective date. Paper billed installments are subject to \$5 service fee each. Recurring EFT installments are offered for new business only and with no service fees, however, election of draft date is not an option. *Completed application must be received minimum 15 days prior to second installment draft date to participate.* Endorsements will spread equally over remaining installments.  
Ten installments is the maximum number of installments available to newly written policies either paper billed or EFT. At renewal, policyholders participating in 10 pay recurring EFT are automatically converted to 12 monthly installments.
- 12 pay Only available at renewal in the form of EFT draft - 12 equal installments, beginning on the renewal effective date and drafted on the same day thereafter. Election of draft date is not optional. (No service fee) *Completed application must be received minimum 15 days prior to effective date to participate.* Endorsements spread equally over unbilled installments. Paper bills will not be offered for 12 monthly installments.

Revised pay plans will be implemented at the renewal of the policy. As some pay plans have wording/due date revisions and some plans will no longer be available, please refer to the schedule below to determine how your client's policy renewals will be affected.

Full paper bill & EFT	Renews with 1 pay as described above
Semi paper bill & EFT	Renews with 2 pay as described above
90 day paper bill & EFT	Renews with 4 pay as described above
Quarterly paper & EFT	Renews with 4 pay as described above
180 day paper bill & EFT	Renews with 10 pay as described above
10 monthly paper bill	Renews with 10 pay as described above
10 monthly EFT	Renews with 12 pay as described above

Recurring EFT participants must have their draft date the same as their effective date day. Please have your clients take this into consideration when choosing an effective date for their newly written policy. Existing clients who have chosen dates in conflict with the effective date day may have to be rewritten to accommodate their desired draft date. Renewal packets will contain a schedule of draft dates for the clients review.

Accompanying this letter is a copy of the letter we, as the insurance company are sending to the client individually and a cheat sheet for quick reference. We would encourage you to make contact with the client as well. As always pay plans can be changed at the client's discretion. Inquiries and questions may be directed to underwriting.

Sincerely,



Dennis Rae, CPCU Vice  
President  
Director of Underwriting and Product Management