

PTS BILLING SYSTEM

American Reliable PTS system is a secure Internet based system. The General Agents and their appointed Sub Agents can quote, convert quotes to applications and view their insured's policy information. To facilitate issuance of new business, the Sub Agents can enter a policy down payment by Credit Card, eCheck or Agent Sweep. The General Agents can view and print their own commission statements.

PAYMENT PLANS

Full Payment	100% of policy premium, plus 100% of state fees* and taxes due with application or renewal
2 Payments	Available on policies with a premium of \$150 or greater. Down payment due is minimum written premium or 50% of policy premium, whichever is greater, plus 100% of state fees* and taxes due with application or renewal. Installment payment is due on day 60
4 Payments	Available on policies with a premium of \$200 or greater. Down payment due is minimum written premium or 25% of policy premium, whichever is greater, plus 100% of state fees* and taxes due with application or renewal. Installment payments are due on days 60, 90 and 120
11 Payments for Motorcycle only	Available on policies with a premium of \$400 or greater. Down payment due is minimum written 16.67% of policy premium, plus 100% of state fees* and taxes due with application or renewal then 8.34% due on day 35 and then the same day each month for the remaining 9 payments. (In states where available. AZ and TX do not have premium requirements.)

Down Payment Example for a new policy:

Minimum Written Premium of \$100	
Total Annual Policy Premium	\$300.00
Full Payment Plan	\$300.00
2 Payment Plan	\$150.00
4 Payment Plan	\$100.00

*All state fees and taxes will be collected at the beginning of the policy and will not be spread out over the remaining payments. There are no policy fees for this program. Installment fees are added to all invoices and to the down payment invoice for renewals that select to be on a payment plan. New business down payments do not include an installment fee.

If the down payment amount is not sufficient the policy will not issue. If the down payment amount is greater than the required down payment, the credit will reduce the amount due on the next scheduled installment invoice.

Payment plans may only be changed at renewal. The renewal invoice will issue with the amount due for the payment plan of the prior term if it is still eligible. If the policy is no longer eligible for the same payment plan as the prior term, the renewal term will be set to the next available payment plan. For example, if the prior term was set on a 4 payment plan and the renewal is no longer eligible for 4 pay, it will be set on the 2 payment plan. The insured can select a new payment plan at this time by contacting their agent to obtain the required down payment amount. The agent must update the policy to the new payment plan chosen by the insured prior to the renewal effective date.

In Michigan for Motorcycle: The Michigan Catastrophic Claim Association Fee will be included in the installments if the insured chooses either the 2 Payment Plan or the 4 Payment Plan. If the insured selects the Full Payment Plan, 100% of the fee is due with the down payment, if the insured selects the 2 Payment Plan, 50% of the fee is due with the down payment and 50% on the 2nd installment and if the insured selects the 4 Payment Plan, 25% is due with the down payment and 25% will be applied to each of the installments. If a vehicle that is eligible for the fee is endorsed mid-term, the fee will be spread among the remaining open installments. If there are no open installments, 100% of the fee is due at issuance of the endorsement.

NEW BUSINESS POLICY ISSUANCE

The down payment for new business will be entered one of three ways: by Credit Card, Agent Sweep or eCheck. Alternatively, payment may be sent to the General Agent. The General Agent will then underwrite the policy. The down payment received from the insured must be entered on the payment entry screen, if the down payment is not processed via Credit Card, Agent Sweep or eCheck, the money will need to be sent to American Reliable to apply the payment and issue the policy.

INSTALLMENTS

Scheduled installment bills will be due 19 days after they are mailed. Each installment bill, including renewal billings, will include an installment fee. Please keep in mind that any payment received will be first applied to any installment fees, taxes and other fees. The remainder will then be applied to the premium.

All installment, renewal and additional premium endorsement payments must be mailed to our payment address, posted into PTS or paid on the Insured Portal. Additional premium endorsements will be invoiced either on an AP invoice or added to a future installment invoice if the next invoice will issue within 10 days from the endorsement process date. If an AP invoice is generated on a pay plan other than Full Pay, the AP invoice will include an installment fee.

For all payment plans, installment payments in amounts greater than or less than the amount due will have the effect of extending or reducing the equity date; the scheduled invoice dates will not change.

The Company will reinstate a policy cancelled for non-payment if the postmark date is prior to the cancellation effective date. In the event that payment cannot be applied to a policy, all the parties (insured, agent, Sub Agent and lienholder) will be notified in writing. The insured will be instructed to contact their agent regarding their policy. The Company will hold any unapplied payment for 14 days before returning the refund, this allows for the payment to clear the bank.

CANCELLATION FOR NON-PAYMENT

A cancellation notice will be issued prior to the equity date in accordance with state statutory requirements. If the full amount invoiced is postmarked prior to the cancellation effective date, the policy will be reinstated.

General Agents will be allowed to cancel and reinstate for underwriting reasons. General Agents must review the policy status for cancellation prior to processing an underwriting cancellation. If the policy is under notice for non-payment a "new" cancellation cannot be processed if the "new" cancellation date is beyond the non-payment cancellation date.

On renewal invoices, if the payment is not received prior to the expiration date a notice of expiration will be sent. The policy will be renewed with lapse if the payment is postmarked by the 29th day. The new effective date will be the day after the postmark date. Payments postmarked after the 29th day will be refunded to the insured after 14 days.

INSURED RETURN PAYMENT

If the insured's down payment is returned for any reason, a cancellation notice will be mailed for the state specified number of days. If the insured sends either a Cashier Check or Money Order postmarked **prior** to the due date of the cancellation notice or submits payment with a Credit Card or eCheck **prior** to the cancellation due date, the policy will be reinstated. If the insured fails to take one of the above described actions **prior** to the due date of the cancellation, the policy will be cancelled flat (if allowed by the State in which the policy is written.)

On all other payments (installment, renewals and additional premium endorsements) if the payment is returned, a cancellation notice will be mailed for the state specified number of days. The policy will be reinstated if payment is received **prior** to the due date of the cancellation.

A \$15.00 fee will be charged for every motorcycle policy on the returned check regardless of reason.

A \$20.00 fee will be charged for every watercraft policy on the returned check regardless of reason.

ENDORSEMENTS

On the Full Payment Plan the entire amount of the additional premium invoice is due and payable at the endorsement process date.

On all other payment plans, the endorsement amount will be spread among the remaining unbilled installments if the next invoice will issue within 10 days from the endorsement process date. If the next invoice will issue more than 10 days after the endorsement process date, an AP invoice will generate for the down payment of the additional premium endorsement. The AP invoice will include an installment fee. If no installments remain unbilled, the entire amount will be invoiced. Failure to pay the amount invoiced will result in cancellation of the policy.

Return premium endorsements will extend the equity date. The return premium credit will be applied equally to all unbilled installment invoices.

RENEWALS

It is possible to change payment plans while the policy is in pending renewal. This is the only time a payment plan can be changed. Renewal Offer invoices will be mailed in advance of the renewal date according to individual state statutory requirements. The renewal term will be set to the same payment plan as the prior term, if it is still eligible. If the policy is no longer eligible for the same payment plan as the prior term, the renewal term will be set to the next available payment plan. For example, if the prior term was set on a 4 payment plan and the renewal is no longer eligible for 4 pay, it will be set on the 2 payment plan.

To renew the policy without a lapse of coverage, the payment must be postmarked **prior** to the effective date of the renewal. A policy will not be renewed unless payment of the renewal invoice is received. The Company will renew with lapse if the payment is postmarked within 29 days after the expiration date. The new policy effective date will be the day **after** the postmark date and the policy number will remain the same as the prior (00) term. If the postmark date is after the 29th day, the Company will hold the unapplied payment for 14 days before refunding to the insured. This will allow for the payment to clear the insured's bank.

New Business Payments (Policy Issues at Point of Sale):

- Agent can accept Credit Card or Insured eCheck payment within PTS
- If Agent participates in the **Agency Sweep Program** and has signed and returned the authorization form to American Reliable, Agent can also accept:
 - Cash or Insured Check, Cashier Check or Money Order made payable to the Agent
 - Agent account will be swept 2 business days following Policy Issuance
 - If Agent does not participate in the Agency Sweep Program, Agent can accept the Insured Check, Cashier Check or Money Order made payable to American Reliable Insurance Company and mail it to address below. Please include the quote number on the payment.

**AMERICAN RELIABLE INSURANCE COMPANY
PO BOX 5882
SCOTTSDALE, AZ 85261-5882**

Installment Bill & Renewal Payments

- Insured can access the Insured Portal web site: **www.aricpolicyservice.com** to make payment via Credit Card or eCheck (Insured will need their policy number and will be prompted to provide an email address and will then be able to set up a user id & password)
- Insured can call 800-535-1333 to make payment via Credit Card or eCheck
- Insured can call Agent and/or GA and the Agent or GA can make a Credit Card payment on the Policy Inquiry screen on behalf of the insured
- Insured, Agent or GA can mail Installment or Renewal payment to the address below. (Address also provided on the invoice remittance slip.)

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