

KEY FEATURES OF THE DIRECT BILL SYSTEM

BUSINESS INSURANCE VOICE RESPONSE UNIT (VRU)

- Dial **800-252-2268**, press 1 for insureds' and 2 for agents' access to the VRU. Follow the prompt to input billing account or policy number followed by the # key. Letters in the account or policy number correspond to letters on the telephone key pad.
- The inquiry system is voice recognition and offers detail information regarding billing status and the ability to pay Business Insurance Direct Bill accounts by phone, 24 hours a day, 7 days a week.

DIRECT BILL CUSTOMER SERVICE

- Our Customer Service Representatives are available from 7:00AM to 8:00PM EST, Monday through Friday, to answer your direct billing questions.
Phone: 800-252-2268 If you know your party's extension, press or say **9** and enter the extension when prompted, or you will be asked to press **1** for insureds' or **2** for agents' access to the VRU. Agents can enter zero (0) at the front end announcement once in the VRU to reach a Customer Service Representative immediately.
Fax: 800-842-9569 (Richmond) or 877-867-9495 (Spokane)

DIRECT BILL AGENT ACTIVITY LIST

- Agent Activity Alerts are available online to automated agents. The option to view Agent Activity Alerts is found on Agent HQ. Non-automated agents may contact their Automation Specialist at 800-842-2522 to be set up to view these reports on Agent HQ.
- Automated and non-automated agents also receive Agent Activity Alerts by fax. To discontinue receiving faxed Agent Activity Alerts, send an e-mail to agncylic@travelers.com. (service to end September 2007)
- Agent Activity Alerts include the following policy information:
 - Policies for which a Direct Notice of Cancellation (DNOC) will be sent within the next 10 days
 - Policies that had previously appeared on the pre-DNOC listing and for which sufficient payment has been received to prevent the need for a DNOC
 - Policies where a DNOC was sent today to the insured
 - Policies where a DNOC was sent and the policy will cancel in 10 days if no additional money is posted
 - Policies for which a reinstatement was sent
 - Policies that were cancelled for non-payment today.

This list does not include policy information for other policies on the account that may require payment.

PAYMENT PROCESSING

- Installment payments should be mailed with the payment coupon. Please write the account or policy number on the check.
- Mail the payment and coupon to:
Travelers, CL Remittance Center, Hartford, CT 06183-1008
- Payments may also be made using our pay by phone feature. Dial 800-252-2268 and follow the easy prompts.
- Visit www.travelersepay.com to make payments online or to sign up for Automatic Recurring payments.
- New Business down payments are handled as follows:
 - ⇒ Agents should send checks with completed **Check Control Documents (CCD)** to:
Travelers, Direct Bill Accounting, P. O. Box 26208, Richmond, VA 23260-6208
Please write the account or policy number on the check!!

AVAILABLE PAYMENT PLANS

- Lump Sum
- 6 Pay (25% and 5), paid in full 6 months prior to expiration date (monthly billing)
- 10 Pay (25% and 9), paid in full 2 months prior to expiration (monthly billing)
- 12 Equal installments with mandatory automatic recurring payments (Select Business only), 1 month payment in advance, not available on new business policies (monthly billing)
- 10 Equal installments, paid in full 2 months prior to expiration date (monthly billing)
- Pay (50% and 1), paid in full 6 months prior to expiration date
- 4 pay (25% and 3), paid in full 2 months prior to expiration date (quarterly billing)

BILLING TIMING AND MAILING

- DBS creates and mails Account Bills, Direct Notices of Cancellation and Reinstatement Notices daily from the Norcross, GA data center.
- Billing for an account occurs 20 days prior to the locked due date.

AGENT COPIES OF BILLS AND NOTICES

- The **Copy Options** field on the Producer Database controls the bill and notice (DNOC, reinstatement) copies that an agent will receive. **Non-automated agents** have the option to receive:
 - All bills, DNOCs and Reinstatements
 - All DNOCs, only those bills that show renewal, new business or endorsements being added to the account
 - Only DNOCs
- **Automated agents** will only receive DNOCs and Reinstatements.
- Contact your Marketing/Underwriting location to change your copy option.

EFFECT OF LATE ISSUE ON BILLING

- In the event that a policy is issued or renewed too late to have the bill released 20 days prior to the effective date, DBS will perform catch-up billing. For example, if a policy is issued with a bill plan that has 25% down and 9 installments but only 7 are left at the time of issuance, the minimum due on the first bill will be 25% of the total premium plus the two installments that were missed. When the insured pays the minimum due, the remaining installments will be billed evenly to the insured.
- Catch up billing impacts late issued new business and renewals as well as cancel/rewrite situations. It does not apply to late issued endorsements.

CANCELLATION NOTICES

- DBS issues Cancellation Notices (DNOCs) at the policy level. One policy on an account may receive a DNOC while another policy continues to bill normal installments.
- DNOCs are mailed separately from the Account Bill. The due date and the mail method for the DNOC are dictated by state statutes. In the event a DNOC and an Account Bill are issued for the same account in the same month, both will be mailed on the same day. The account bill and the DNOC(s) will have their own minimum due and due dates.
- If the minimum due is received for the DNOC, a Reinstatement Notice is sent to the insured stating that payment was received and that there was no lapse in coverage.
- If payment is not received for the DNOC, the policy will cancel. An Earned Premium bill will be sent to the insured explaining that the policy was cancelled for non-payment. If earned premium is not paid in full, it will be automatically referred to a collection agency.

CANCEL COUNTER

- Each time DBS issues a DNOC for a policy, a cancel counter is increased by one.
- **When the counter reaches two, the payment plan is changed to lump sum.**
- When the second DNOC is sent, the minimum due is the full outstanding balance on the policy.
- The cancel counter will be reduced by one when a renewal is processed, if the cancel counter is reduced to one or less, installments will be allowed on the policy.

FEES

- Flat installment charge of \$6.00 per account bill with the following exceptions:
 - Florida installment bills are assessed at a rate of interest not to exceed 18% simple interest on the unpaid balance. If the assessment is calculated to be less than \$.50, no installment charge is applied. The charge per installment will not exceed \$6.00.
 - Massachusetts installment bills are assessed a flat installment charge of \$5.00.
- Late charge of \$10 when a Direct Notice of Cancellation is released in all eligible states.

COMMISSION PAYMENTS/STATEMENTS

- Although we expect a 25% (20% for Texas) down payment, **DBS pays commission after 20% of the premium and tax is paid on the policy.** The commission will be paid to the agent at the next available commission cycle.
- **Weekly** – Weekly payments are made to the agent's Commission Growth Account (CGA). The commission statements are mailed separately from Norcross, GA.
- **Monthly** – Checks and statements are released monthly to those agents who do not have a Commission Growth Account (CGA). The checks and statements are mailed together from Norcross, GA.
- **Direct Deposit** – The agent may have the commission deposited into their bank account at the end of each month with the commission statement mailed separately. To enroll in this program call 800-252-2268 or obtain an enrollment form on Agent HQ.
- **Audits** – Commission on audits is paid to the agent once the audit has been fully paid by the insured.



Agribusiness

In-synch with your GROWING business®