

Billing Manual

(BriteCore System)

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FEES

Policy Issue Fee – A \$15 fee is assessed to each new business and renewal policy. This fee is charged at the beginning of the policy term and is only refundable if the policy is cancelled as of its effective date.

Installment Fee – When premium for a policy is paid using an installment billing schedule, a \$5 fee will be assessed when each Billing Statement is generated (as well as in the down payment for new business). If the remaining premium for a policy term is paid mid-term, the installment fee(s) for all *unbilled* installments will be waived.

IMPORTANT: Installment fees are not charged on Annual, Escrow, or AutoPay billing schedules.

Late Payment Fee – When the due date of any billing statement passes without the amount due being received, a \$5 late fee will be assessed. If the fee is not collected during the current billing cycle, it will be carried forward to the next billing statement. (See “Billing Statement Issue Dates & Due Dates” on page 3 for more information.)

Reinstatement Fee – If a policy is reinstated after the cancel date has passed, a \$20 reinstatement fee will be assessed. (Generally, only applicable in a non-payment situation. See “Payment Processing” on page 6 for more information.)

Returned Payment Fee – If a payment of any kind is returned to us unpaid by the payer’s financial institution, a \$25 fee will be assessed. (See “Returned Items” on page 7 for more information.)

Card Convenience Fee – When using a credit or debit card as a payment method, a convenience fee of approximately 2.5% (\$3.75 minimum) will be added to the payment amount each time this method is used.

BILLING SCHEDULES – RENEWAL & NEW BUSINESS (unless otherwise noted)

Annual – One payment of 100% of annual premium plus the Policy Issue Fee due on the policy effective date.

Escrow Billing – One payment of 100% of annual premium plus the Policy Issue Fee due on the policy effective date. This is the only schedule available for escrow billing.

For all below billing schedules, the due dates shown on billing statements of installment 2 and after will be on the same day of the month as the policy effective day. For example, if the policy effective day is January 1st, installment 2 and after will be due on the 1st of the scheduled month.

Semi-Annual

Installment	% of Annual Prem.	Policy Issue Fee	Installment Fee	Due On
1	50%	\$15	\$5	Policy Effective Date
2	50%		\$5	5 Months after Eff Date

- The minimum annual premium (including the Policy Issue Fee) to qualify for this schedule is \$140.

Quarterly

Installment	% of Annual Prem.	Policy Issue Fee	Installment Fee	Due On
1	25%	\$15	\$5	Policy Effective Date
2	25%		\$5	2 Months after Eff Date
3	25%		\$5	5 Months after Eff Date
4	25%		\$5	8 Months after Eff Date

- The minimum annual premium (including the Policy Issue Fee) to qualify for this schedule is \$265.

Six Pay (Renewal Only)

Installment	% of Annual Prem.	Policy Issue Fee	Installment Fee	Due On
1	25%	\$15	\$5	Policy Effective Date
2	16.67%		\$5	2 Months after Eff Date
3	16.67%		\$5	4 Months after Eff Date
4	16.67%		\$5	6 Months after Eff Date
5	16.67%		\$5	8 Months after Eff Date
6	8.32%		\$5	10 Months after Eff Date

- The minimum annual premium (including the Policy Issue Fee) to qualify for this schedule is \$715.

Monthly AutoPay (Recurring payments are automatically drawn from a bank account or credit/debit card) (Renewal Only)

Installment	% of Annual Prem.	Policy Issue Fee	Installment Fee	Drawn On
1	10%	\$15	\$0	Policy Effective Date
2	9%		\$0	1 Month after Eff Date
3	9%		\$0	2 Months after Eff Date
4	9%		\$0	3 Months after Eff Date
5	9%		\$0	4 Months after Eff Date
6	9%		\$0	5 Months after Eff Date
7	9%		\$0	6 Months after Eff Date
8	9%		\$0	7 Months after Eff Date
9	9%		\$0	8 Months after Eff Date
10	9%		\$0	9 Months after Eff Date
11	9%		\$0	10 Months after Eff Date

- Note there are 11 installments instead of 12 for this payment plan.

- The minimum annual premium (including the Policy Issue Fee) to qualify for this schedule is \$115.

- A web page at bfmic.com/autopay has been set up dedicated to help policyholders get enrolled on this billing schedule.

BILLING SCHEDULES – NEW BUSINESS ONLY

Six Pay AutoPay (Recurring payments are automatically drawn from a bank account or credit/debit card)

Installment	% of Annual Prem.	Policy Issue Fee	Installment Fee	Drawn On
1	25%	\$15	\$0	Policy Effective Date
2	16.67%		\$0	2 Months after Eff Date
3	16.67%		\$0	4 Months after Eff Date
4	16.67%		\$0	6 Months after Eff Date
5	16.67%		\$0	8 Months after Eff Date
6	8.32%		\$0	10 Months after Eff Date

- The minimum annual premium (including the Policy Issue Fee) to qualify for this schedule is \$65.

Monthly AutoPay (Recurring payments are automatically drawn from a bank account or credit/debit card)

Installment	% of Annual Prem.	Policy Issue Fee	Installment Fee	Drawn On
1	14%	\$15	\$0	Policy Effective Date
2	0%		\$0	Skipped
3	14%		\$0	2 Months after Eff Date
4	9%		\$0	3 Months after Eff Date
5	9%		\$0	4 Months after Eff Date
6	9%		\$0	5 Months after Eff Date
7	9%		\$0	6 Months after Eff Date
8	9%		\$0	7 Months after Eff Date
9	9%		\$0	8 Months after Eff Date
10	9%		\$0	9 Months after Eff Date
11	9%		\$0	10 Months after Eff Date

- Note there are 11 installments instead of 12 for this payment plan.

- The minimum annual premium (including the Policy Issue Fee) to qualify for this schedule is \$115.

DOWN PAYMENT – NEW BUSINESS

- The down payment for new business is the amount listed for installment #1 plus the Policy Issue Fee and one Installment Fee (if applicable). The exception is an Escrow billed policy which does not require a down payment. In an Escrow billed situation, the mortgagee will be billed when the policy is issued.
- The down payment for new business can be paid electronically. **IMPORTANT:** The transaction is initiated when the application is *submitted*, not when the policy is issued.
- If less than the required down payment is submitted:
 - If the underpayment amount is less than \$40, the amount will be added to a future invoice.
 - If the underpayment amount is \$40 or more, an Initial Billing Statement may be mailed for the underpayment amount when the policy is issued. Note, in this case, the underwriter may request the shortage be paid before the policy is issued.
- If an Initial Billing Statement is mailed during the new business cycle, the due date will be 16 days from the date the policy is issued for non-escrowed policies and 19 days for escrowed policies.

BILLING STATEMENT ISSUE DATES & DUE DATES

Non-AutoPay Billing Schedules

IMPORTANT

- Any due date shown in the online BriteCore software system is the date that the policy enters non-payment status and a Late Payment Fee is assessed. This is always at least 5 days after the due date that is shown on the particular billing statement. This creates a grace period for the payment.
- Any due date shown in the online BriteCore software system is as of 12:01am on that date.

Renewal Billing Statement

- Issue Date
 - The Renewal Billing Statement will be generated 30 days prior to the effective date of the upcoming policy term. The exception is Escrow billed policies where the Renewal Billing Statement will be generated 35 days prior to the effective date of the upcoming policy term.
- Due Date
 - The due date shown on the Renewal Billing Statement is 5 days prior to the effective date of the upcoming policy term.
 - The policy will enter non-payment status at 12:01am the day following the effective date of the upcoming policy term. This creates the perception of a grace period during the renewal billing cycle. (See “Late Payment of Premium Due – At Renewal” on page 6 for more information.)

Installment Billing Statement

- Issue Date
 - An Installment Billing Statement will be generated 21 days prior to the due date established by the billing schedule as shown in the earlier section of this manual.
- Due Date
 - The due date shown on the Installment Billing Statement will follow that of the particular billing schedule.
 - The policy will enter non-payment status no less than 5 days after the due date shown on the Installment Billing Statement. (See “Late Payment of Premium Due – Mid-Term” on page 6 for more information.)

Amended Billing Statement

This billing statement (sometimes referred to as Endorsement Invoice) is generated when there is a change to a policy that increases premium when there are no *unbilled* installments remaining in the policy term.

- Issue Date
 - An Amended Billing Statement is generated on the date the policy change occurs.
- Due Date
 - The due date shown on the Amended Billing Statement will be 21 days after the issue date.
 - The policy will enter non-payment status no less than 5 days after the due date shown on the Amended Billing Statement. (See “Late Payment of Premium Due – Mid-Term” on page 6 for more information.)
- **IMPORTANT:** If an Amended Billing Statement is generated near the billing cycle of another billing statement, the earliest amount due on either statement should be paid by its due date to avoid a Late Payment Fee. (*i.e. If the due date of a previously received billing statement is near, do not wait to pay it.*)

BILLING STATEMENT ISSUE DATES, DRAW DATES, & POLICY CHANGES

AutoPay Billing Schedules

Renewal

- Since the payment will be automatically drawn, a Renewal Billing Statement is not mailed.
- Instead, a Pre-Authorized Payment Schedule is mailed that will list the dates and amounts of each automatic payment. Unless premium-bearing changes are made to the policy, this is the only billing statement that is mailed for the policy term.
- The Pre-Authorized Payment Schedule is generated 25 days prior to the effective date of the upcoming policy term.

Policy Changes

- If a premium-bearing change is made, the difference in annual premium is spread across future installments (if any exist) and a revised Pre-Authorized Payment Schedule will be mailed.
- If the policy change occurs near the end of a policy term when there are no future installments outstanding:
 - If the change increases premium, the additional amount due will be automatically drawn 13 days after the change is processed. A Pre-Authorized Payment Schedule will be mailed to alert the insured of this.
 - If the change decreases premium:
 - For amounts of return premium less than \$40, the amount will remain on account and will be applied against any future policy change or to the next policy renewal.
 - If requested by the Insured, a return premium check can be generated in this case.
 - If the policy is cancelled or expires, any premium that remains on account will be returned.
 - For amounts of return premium \$40 or more, a return premium check will be issued automatically.

Draw Dates

- The draw dates of automatic payments can be changed to any day *in advance* of the original date to meet the budget of the premium payer.
- Draw dates can never be scheduled to occur *after* their original date.

POLICY CHANGES

Non-AutoPay Billing Schedules

Changes That Increase Premium

- The difference in annual premium caused by the change is spread across future *unbilled* installments (if any exist).
- If a policy change is made that increases premium when there are no *unbilled* installments remaining in the policy term:
 - If the current amount due caused by the change is less than \$40, an Amended Billing Statement **WILL NOT** be mailed, and the additional amount will be added to any future policy change or to the next policy renewal.
 - Note, we reserve the right to generate an Amended Billing Statement in this situation at our discretion.
 - If the current amount due caused by the change is \$40 or more, an Amended Billing Statement will be mailed.
 - **IMPORTANT:** If an Amended Billing Statement is generated near the due date of a previously received billing statement, to avoid a Late Payment Fee, the amount due on the previously received

billing statement must be paid by its due date (i.e. the policy change does not affect the amount or due date of a previously received billing statement).

Changes That Decrease Premium

- If a policy change is made that decreases premium, the return premium caused by the change will be spread across future *unbilled* installments (if any exist).
- **IMPORTANT:** If the policy change is made before the due date of a previously received billing statement, to avoid a Late Payment Fee, the amount due on the previously received billing statement must be paid by its due date (i.e. the policy change does not affect the amount or due date of a previously received billing statement).
- If a policy change is made that decreases premium and there are no *unbilled* installments outstanding:
 - For amounts of return premium less than \$40, the amount will remain on account and will be applied against any future policy change or to the next policy renewal.
 - If requested by the Insured, a return premium check can be generated in this case.
 - If the policy is cancelled or expires, any premium that remains on account will be returned.
 - For amounts of return premium \$40 or more, a return premium check will be issued automatically.

PAYMENT PROCESSING

Non-AutoPay Billing Schedules

Underpayment of Premium Due

- If the underpayment is \$40 or more, the billing statement that was underpaid will be re-generated for the amount of the underpayment. The due date and cancel date of the billing statement will remain in effect. At our discretion, the underpaid amount may be added to the next billing statement that is available.
- If the underpayment is less than \$40, the underpayment amount will be added to the next *unbilled* installment.
 - If the underpayment occurs when there are no *unbilled* installments outstanding, the underpayment amount will be added to any future policy change or to the next policy renewal.
 - We reserve the right to generate a billing statement for amounts less than \$40 of underpayment at our discretion.

Overpayment of Premium Due

- Any overpayment will be applied to the next *unbilled* installment.
- If the overpayment occurs when there are no *unbilled* installments outstanding:
 - If the overpayment is less than \$40, it will remain on account and will be applied against any future policy change or to the next policy renewal. If the policy is subsequently cancelled or expires, any premium that remains on account will be returned.
 - If requested by the Insured, a return premium check can be generated for the amount of overpayment.
 - If the overpayment is \$40 or more, a return premium check will be generated.

Late Payment of Premium Due

- At Renewal
 - If payment is not received by the end of day of the policy effective date, the policy will go into "Cancellation Pending" status and a *Renewal Reminder Notice* document will be generated. *A Late Payment Fee will be assessed.*
 - If payment is then received within 10 days after the date of the *Renewal Reminder Notice* document, the payment will be accepted and there will be the perception of no lapse of coverage.
 - In this case, a *Continuation of Coverage* document will be generated.

- If payment is not received within 10 days after the date of the *Renewal Reminder Notice*, the policy will be cancelled, and a *Confirmation of Cancellation* document will be generated.
 - If payment is then received after the *Confirmation of Cancellation* document is generated, the policy may be *rewritten* at our discretion with a new policy effective date and billing due dates. (*i.e. There will be a lapse of coverage.*)
 - If payment is received more than 30 days after the *Confirmation of Cancellation* document is generated, the payment will be returned, and the policyholder will be advised to contact the agency regarding re-underwriting of the policy.
- **Mid-Term**
 - If payment is not received by the end of the due date grace period, the policy will go into “Cancellation Pending” status and a *Notice of Cancellation* document will be generated. *A Late Payment Fee will be assessed.*
 - If payment is then received within 21 days after the date of the *Notice of Cancellation* document, the payment will be accepted and there will be no lapse of coverage.
 - In this case, a *Continuation of Coverage* document will be generated.
 - If payment is not received within 21 days after the date of the *Notice of Cancellation* document, the policy will be cancelled, and a *Confirmation of Cancellation* document will be generated.
 - If payment is then received within 7 days after the *Confirmation of Cancellation* is generated, the policy may be *reinstated* at our discretion. *If reinstated, a Reinstatement Fee will be assessed* and there will be the perception of no lapse of coverage.
 - In this case, a *Continuation of Coverage* document will be generated.
 - If payment is received more than 7 days after the *Confirmation of Cancellation* is generated, the policy may be *rewritten* at our discretion with a new policy effective date and billing due dates. (*i.e. There will be a lapse of coverage.*)
 - If payment is received more than 30 days after the *Confirmation of Cancellation* is generated, the payment will be returned, and the policyholder will be advised to contact the agency regarding re-underwriting of the policy.
- **IMPORTANT**
 - If a policy has continual late payment occurrences:
 - We reserve the right to demand full payment of outstanding amounts and require an Annual billing schedule.
 - If cancelled, we reserve the right to not rewrite or reinstate the policy.

PAYMENTS RETURNED UNPAID

If a payment of any kind is returned unpaid by the payer’s financial institution, a \$25 Returned Payment Fee will be assessed, and the policy will be set back up as if the payment did not occur. The system will then process the policy based on the original due date and cancel date of the payment. Therefore, depending on where the policy is in its billing cycle, the \$5 Late Payment Fee may be assessed also.

Note: Since AutoPay payments transact on the due date of the invoice, an AutoPay payment that is returned unpaid will always occur after the due date and cause the policy to go into “Cancellation Pending for Non-Payment” status. Therefore, the system will apply a \$5 Late Payment Fee also.

IMPORTANT

- If a policy has continual returned payment occurrences:

- We reserve the right to demand full payment of outstanding amounts and require an Annual billing schedule.
- If cancelled, we reserve the right to not rewrite or reinstate the policy.

UNEARNED PREMIUM PAYMENTS

- When an unearned premium check is written, it will always be made payable to the Named Insured(s) on the policy. This is regardless of the cause of the unearned premium (cancellation, policy change, overpayment).
- Due to expense regarding time, printing, and mailing, when a policy is cancelled, unearned premium will not be paid unless it is \$4 or greater.

MINIMUM ANNUAL PREMIUM

- The minimum annual premium for any policy is \$50, including the Policy Issue Fee.

ONLINE PAYMENT PORTAL & MOBILE APP

Policyholders can visit <https://www.bfmic.com/pay> to set up an account or to make a one-time payment.

IMPORTANT:

- In some cases, this will not be available once a policy has reached “Cancellation Pending” status.
- Agency sweep payments should NOT be initiated through this portal. They should be initiated through the “Payments” tab of the online BriteCore system.
- Card types accepted are Mastercard, Visa, and Discover.