



Finys

Billing System Procedure Manual



SECURITY
MUTUAL
INSURANCE
COMPANY

Established 1887



SECURITY
COOPERATIVE
INSURANCE
COMPANY

Established 1910

DIRECT BILL PROGRAM

INTRODUCTION

The Security Mutual Group Finys Direct Bill Program bills the insured directly for premiums on new and renewal business and policy changes.

AGENT ONLINE INQUIRES

Agents have access to billing information, Policy DEC pages, and notices through our web based site which can be found at <https://www.securitymutual.com>.

PROGRAM DESCRIPTION

The system is designed to bill on an annual basis. The payor has the option to:

1. Pay the entire premium in full
2. Pay monthly installments
3. Sign up for autopay with Electronic Funds Transfer (ACH)

A \$6 service fee will be charged on every bill unless enrolled in autopay. Payments may be made by check, money order, credit card (Visa, Mastercard, and Discover).

Payments can be made on our website, <https://www.securitymutual.com>, by clicking "Make a Payment". Autopay can be initiated under the same section of the website.

We offer several payment plans. Each plan has a minimum premium threshold that must be met to qualify for that plan option.

Plan	Threshold	When due	Down/first payment %	Subsequent payment %
Annual	open to all plans, premiums under \$100 are required to pay in full	inception/renewal	100%	N/A
Biannual	\$200 minimum premium	Inception/renewal and 6 th month	60%	40%
3pay	\$100 minimum premium	Inception/renewal, 2 nd , 3 rd month	40%	30%
Quarterly	\$200 minimum premium	Inception/renewal, 3 rd , 6 th , 9 th month	40%	20%
6pay	\$200 minimum premium	Inception/renewal, 2 nd , 3 rd , 4 th , 5 th , 6 th month	25%	15%
9pay	\$400 minimum premium	Inception/renewal, 2 nd , 3 rd , 4 th , 5 th , 6 th , 7 th , 8 th , 9 th month	25%	10% 2-8 5% 9 th

BILLING CYCLES

A. NEW BUSINESS

All applications must include a downpayment by check or credit card, even if being setup on EFT Autopay, unless it is billed directly to the mortgage company. If payment is less than the full premium, the system will generate a bill either at the time of policy issuance or at inception, whichever is later. All subsequent installments, plus the \$6 service fee, will bill out 22 days prior to the due date unless a non-payment of premium notice is pending.

B. ANNIVERSARY OR RENEWAL PREMIUMS

The premium is billed 33 days prior to the anniversary or renewal date.

If the payment plan option is selected, the percentage due on the first installment is dependent on the total premium due at the time of anniversary or renewal, see payment plans above. All subsequent installments will be 30 days apart. All bills are generated 22 days prior to the due date unless a non-payment of premium is pending. On all pay plans, a \$6 service fee will be added to each bill that is mailed out.

C. ESCROW AND 'OTHER PAYOR' BILLING

Escrow and 'other payor' billings will be on an annual basis and due on the anniversary date. The payment plan option and EFT Auto-pay are not available. Escrow and 'other payor' bills will be sent directly to the payor.

D. SPECIAL SITUATIONS

The payment plan option will be denied and full payment of the annual premium will be required in situations involving repeated late payment or in situations deemed necessary per our underwriting department.

MINIMUM PREMIUM

There is a minimum premium requirement of \$100 for use of the payment plan option.

DIRECT BILL INSTRUCTIONS

A. NEW BUSINESS

All policies shall be applied for with a signed, completed application and a downpayment. In some cases, a single, annual payment may be required with the application. To avoid service charges and notices, the down payment should equal the annual premium, or include the completed EFT Auto-Pay enrollment with the down payment.

B. RENEWAL BUSINESS

All policies will automatically be renewed under the Direct Bill Program. An expiration list will be available on our website (<https://www.securitymutual.com>) 90 days prior to the expiration. The list should be reviewed and returned within 60 days, with both renewal instructions and direct bill instructions, if changes are required.

PREMIUM BEARING ENDORSEMENTS

If the endorsement is issued during the installment period, the remaining unbilled installments will be adjusted to reflect the increase or reduction of premium. The current installment bill must be made as billed. Only future installments will reflect endorsement changes.

If the endorsement is issued after the total premium has been paid, the full endorsement premium will be billed and due in 33 days. If the endorsement generated a return premium, a check will be issued to the policyholder.

CANCELLATIONS AND REINSTATEMENT

If payment is not received by the due date, policies will remain in effect until the Premium Equity is depleted. A cancellation notice will be issued 18 days prior to the depletion of the premium equity date. A \$25.00 charge will be added to the installment that is due.

If premium payment is received prior to the effective date of the cancellation the policy will be reinstated with no lapse in coverage.

If payment is received after the effective date of cancellation, a new policy may be issued at the option of the company. In no event will payment received after the effective date of cancellation guarantee the coverage will be reinstated.

If an insured's check is not honored by the bank, the company will request from the insured, a bank check, cashier's check, a money order, or a valid credit card number for payment in the amount of the payment, plus a \$25 dishonor fee. The policy will be subject to normal cancellation procedures.

PAYMENT: UNDERPAYMENT, OVERPAYMENT, OR DECLINATION

If payment received is less than the amount due, the remaining amount due will carry to the next installment due. If there are no remaining installments then the cancellation notice will be mailed.

Overpayments will result in equal adjustments to the next installments, if applicable, or a return premium check will be issued if it's over \$5.00. Amounts of \$5.00 or less will be carried forward to the next policy term. The System will generate an Overpayment notice only on fully paid policies.

If coverage is declined or cancelled, the unearned premium will be issued and sent to the insured.

If the application is declined prior to issuance of a policy, or depositing of the check by the company, the insured's check will be returned to the agency.

PAYMENTS MADE TO THE AGENCY

On occasion the Agent will receive payment from the insured or payor for different reasons. To avoid any problems or delinquencies, caused by the deviation from the procedures, the following steps should be taken by the agency:

1. All payments received via personal check should be uploaded to our ACH payment page on our website (<https://www.securitymutual.com>). Authorization from ACH Payment must be received from the policyholder prior to uploading.
2. All payments received via cash should be uploaded to our ACH payment page on our website (<https://www.securitymutual.com>) out of the agency's checking account.
3. All payments received via a Mortgage Company check or Online Bank check should immediately be sent to the company along with the billing notice. If the notice is not available, please include the insured's name and policy number.
4. All payments received via a credit card should be uploaded to our Credit Card payment page on our website (<https://www.securitymutual.com>).

AGENTS COMMISSIONS AND ACTIVITY REPORTS

Agent commissions will be paid on the full annual premium once a payment of at least 25% of the total premium has been made on the policy. In the event of a cancellation of the policy the return commission will be computed in the same manner and will be billed to the agency.

Commissions will be transferred via ACH on the 10th of the following month, or the first business day following the 10th, if the 10th falls on a weekend or holiday.