

DIRECT BILL INFORMATION AND PAYMENT OPTIONS FOR NJ

1. PAYMENT INFORMATION

- A.) Down payments are required on all new Personal and Commercial Lines policies (determined by premium of policy as shown in Exhibits 1 and 2). Electronic payments for new business deposits are accepted for Homeowners, Combination Dwelling, Special Contractors, Businessowners, and Commercial Auto policies within the SCIPS quoting module. The initial deposit will calculate automatically based on the premium identified in Exhibits 1 & 2.
- B.) We offer installment plans for all premiums. Please see Exhibits #1 and #2 on the following pages for the break-outs for Personal and Commercial Lines.

NOTES – Related Installment Plans

1. Insured may elect to pay in full on the first installment of the renewal or new business with no service fee charged.
 2. Agent does not have to inform the Company of payment plan. Payment plans are automatically established based on the attached payment plan schedules (Exhibits 1 & 2).
 3. Deferred Payment Plan is available only when insured is the payor.
 4. Copies of all billing transactions will be sent to the Agent.
 5. Service fees of \$7 for Commercial Lines and \$6 for Personal Lines (Homeowners and Combination Dwelling) are due with each installment and are non-refundable.
- C.) We accept online payments via our website www.farmersofsalem.com. The insured can process a one-time quick pay or register their policy and pay their invoice online. An agent can also make a payment online by logging in through Agent Login and selecting the MOB Online Payments Login under the Payment Center option. An agent can make payment either with insured's account or the agency's account (please see MOB Online Payments Documentation under the Payment Center option for instructions). Payments are also accepted over the phone. We accept ACH checking or savings, Visa, MasterCard, Discover, and American Express payments.
- D.) Payments can also be accepted via our 24/7 automated pay by phone at (866) 233-6905 or by calling our billing department at (800) 498-0954. We accept ACH checking or savings, Visa, MasterCard, Discover, and American Express payments.
- E.) Farmers of Salem will initiate a \$10 late fee for any second or subsequent late payment, within each policy period, on all lines of business except Workers Compensation. The late fee will be included in the Conditional Cancellation Notice invoice. One late payment will be allowed, per policy period, without incurring the \$10 late fee.

2. CANCELLATION PROCESS

When an installment premium is not received by the due date, a non-payment notice is issued. The policy will be cancelled if the premium is not received by the cancellation date on the non-payment notice.

If payment is received with a postmark date prior to the effective date of cancellation, it will be accepted. Those payments with postmark dates after the effective date of the non-pay cancellation will be referred to Underwriting to decide the acceptance of payment. Payments made online will be accepted up through the cancellation date but will be locked and unable to make payment after cancellation date.

If no payment is received, the policy is then cancelled and the earned and unearned premium is calculated for additional billing or refund to the insured.

Please Note – Payments received by the Agent are considered payments received by the Company. In order to improve the timeliness of payments received and avoid cancellation of policies, we request a faxed copy of the check or paid receipt be sent to our office. Please utilize the online payment system to process the insured’s payments the day payment is received. If mailing payment, we advise the Agency to mail payment the same day received.

3. NONSUFFICIENT FUND POLICY

Any policy that has a NSF check will require a \$25 fee to reinstate coverage. We will, at this time, require a certified check or money order for replacement of the NSF check to be received within 10 days. Nonsufficient funds received on ACH checks via online payments will require a certified check, money order, or payment by credit card to be received within 10 days. If a NSF check is received on a non-payment notice, the cancellation date on the notice will stand and the policy will be cancelled.

4. COLLECTION PROCESS

In the event of earned premium due from cancellation or audit, we will send a bill giving thirty (30) days to pay. If we do not receive payment, we send a pre-collection letter to insured and a copy is sent to you, the Agent. If we do not receive a payment from the pre-collection letter, we will utilize an outside collection agency to collect the funds. The collection agency will now have legal responsibility to collect the premium for a fee. Please remember, if we receive the premium before we send it to our collection agency, you, as the Agent, will receive commission.

5. DIRECT BILL STAFF

Tom Cornish	Assistant VP Finance/Treasurer	Ext. 151
Polly Tornari	Direct Bill Clerk II	Ext. 143
Stephanie Benner	Direct Bill Clerk II	Ext. 145
Betty Ross	Direct Bill Clerk I	Ext. 103

**FARMERS MUTUAL FIRE INSURANCE COMPANY OF SALEM COUNTY
DIRECT BILL PAYMENT OPTIONS FOR NEW JERSEY AGENTS**

**EXHIBIT 1
PERSONAL LINES**

PAYMENTS	PREMIUM \$	FEE	PERCENT DUE FOR EACH INSTALLMENT										Cumulative # of Days from 1 st Billing (Due Dates)						
														(a)					
1	\$ 0 to \$100	\$0	100%																
2	\$ 101 to \$250	\$12	48%	52%															
3	\$ 251 to \$500	\$18	32%	34%	34%														
4	\$ 501 to \$1,500	\$24	23%	26%	26%	25%													
5	\$ 1,501 to \$5,000	\$30	23%	20%	19%	19%	19%												
6	\$ 5,001 and over	\$36	23%	16%	16%	15%	15%	15%											

(a) Days between each bill

- 1) Monetary Endorsement premium amounts will be billed on the remaining unbilled installments. If no installments remain, monetary endorsement will be invoiced allowing 30 days to pay.
- 2) The first bill gives 30 days to pay. Future installment bills are sent out 20 days prior to each due date.
- 3) The first installment also includes the PLIGA surcharge of 0.90%.

**EXHIBIT 2
COMMERCIAL LINES**

PAYMENTS	PREMIUM \$	Installment FEE	PERCENT DUE FOR EACH PAYMENT										Cumulative Days from 1 st Billing (Due Dates)										
1	\$ 0 to \$350	\$0	100%																				
2	\$ 351 to \$600	\$14	48%	52%																			
3	\$ 601 to 1,000	\$21	32%	34%	34%																		
4	\$ 1,001 to 1,500	\$28	25%	25%	25%	25%																	
5	\$ 1,501 to 2,500	\$35	25%	19%	19%	19%	18%																
6	\$ 2,501 to 5,000	\$42	25%	15%	15%	15%	15%	15%															
7	\$ 5,001 to 7,000	\$49	25%	13%	13%	13%	12%	12%	12%														
8	\$ 7,001 to 9,000	\$56	25%	11%	11%	11%	11%	11%	10%														
9	\$ 9,001 to 11,000	\$63	25%	10%	10%	10%	9%	9%	9%	9%													
10	\$11,001 and over	\$70	25%	9%	9%	9%	8%	8%	8%	8%	8%												

(a) Days between each bill

- 1) Monetary Endorsement premium amounts will be billed on the remaining unbilled installments. If no installments remain, monetary endorsement will be invoiced allowing 30 days to pay.
- 2) The first bill gives 30 days to pay. Future installment bills are sent out 20 days prior to each due date.
- 3) The first installment also includes the PLIGA surcharge of 0.90%.