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Direct Bill Guidelines New and Renewal Business

Rev 9/16

1. Policies Applicable to Direct Bill

- ALL Commercial Lines Admitted Policies

2. Deposits & Payments (New & Renewals)

- **Deposit check for 30% of policy premium PLUS all taxes and fees MUST Be Received Within 10 Business Days of Effective Date of Policy or NO COVERAGE EXISTS ON POLICY.**
- The deposit check may be sent by the broker or the insured. The remaining installments will be billed directly to the insured.
- **All payments, including the deposit, should be sent to American Automobile Insurance Company, 1610 Route 88, Suite 104, Brick, NJ 08724**

3. Payment Options

	<u>Deposit</u>	<u>Installment Options</u>	<u>Interval</u>	<u>Processing Fee</u>
○ 4 Pay	30%	3	2 months	\$5
○ 9 Pay	30%	8	1 month	\$5

4. Installment Payments (New and Renewals)

- 4 Pay – 1st installment due 60 days after effective date of policy
- 9 Pay – 1st installment due 45 days after effective date of policy

5. Direct Bill Cancellations for Non-Pay of Installments and Endorsements

- Notice of intent to cancel will be sent automatically if payment is not posted by the second calendar day after the due date.

6. Direct Bill Commissions

- Broker will receive commission check on the 15th of month following the effective date of the policy.
- Commission check will net return commissions on cancelled policies with commissions due the broker on new policies

7. Other Considerations

- Once a policy is issued as Direct Bill or Agency Bill, it CANNOT be changed! To change from Agency Bill to Direct Bill (or vice versa), the policy must be cancelled and rewritten.
- Once a policy is issued, the type of installment plan (4 pay or 9 pay) CANNOT be changed. To change from 4 pay to 9 pay (or vice versa), the policy must be cancelled and rewritten.