

**RHODE ISLAND
JOINT REINSURANCE ASSOCIATION**

Underwriting Division
Two Center Plaza
Boston, Massachusetts 02108-1904
(800) 8518978, FAX (800) 932-6717

May 1, 2000

To: All Rhode Island Producers

Service Enhancement

Revised Premium Installment Payment Program Effective May 10, 2000

The Association's current installment program allows homeowners insureds and owner-occupant dwelling program insureds to make premium payments on an installment basis.

The Association is pleased to announce the extension of the installment program option to tenant-occupied dwelling policyholders and commercial property policyholders, thereby making the installment program option available to all insureds. As in the existing program, the revised installment program is subject to a minimum annual premium of \$100 and is not available to a mortgagee or a finance company.

The revised Premium Payment Installment Program will become available for all New Business applications received by the Association on or after May 10, 2000. The revised installment program will become available for all renewal offers issued by the Association on or after May 10, 2000 for policies expiring on or after July 9, 2000. The Renewal Offer/Premium Invoice will indicate the 25% downpayment as the Minimum Due.

The revised Premium Installment Payment Program is printed on the reverse side of this notice for your reference and will be incorporated in a future Producers' Operations Manual mailing.

If you have any questions regarding the contents of this announcement, please contact our Consumer Services Department.

Very truly yours,

James H Pappas
Vice President-Underwriting

JHP:ed

RHODE ISLAND JOINT REINSURANCE ASSOCIATION
PREMIUM INSTALLMENT PAYMENT PROGRAM

A. Eligibility

1. The Premium Installment Payment Program applies to both new and renewal business;
2. The Premium Installment Payment Program is available to Homeowners, Dwelling and Commercial insureds;
3. The minimum annual premium eligible for the Premium Installment Payment Program is \$100;
4. Payments made by Mortgagees and/or Finance Companies will not be eligible for the Premium Installment Payment Program.

B. Payment of Premium

If the insured selects the Premium Installment Payment Program, a minimum of 25% of the total annual premium will be due with the application. The remaining balance will be billed in three installments due in 60 days, 120 days and 180 days from the policy inception date. Installment bills will be mailed directly to the insured approximately 27 days prior to the due date. The initial minimum 25% down payment of the required total annual premium must accompany one of the following:

1. An application submitted under the Immediate Coverage Procedure (or with the hard copy of a previously faxed application) ; or
2. The Premium Invoice issued under the Renewal Procedure; or
3. The Premium Invoice issued under the Non-Immediate Coverage New Business Procedure.

Installment bills will be sent directly to the insured along with a return envelope in which the Premium Invoice is to be returned along with payment. The insured must pay the minimum amount due, but will be allowed to pay any amount between the minimum due and the annual policy premium. Payment of more than the minimum amount due will reduce the future installment payment(s).

RIJRA will not accept one check to pay for multiple invoices. No other correspondence should be sent along with the installment payment.

C. Endorsements

1. Additional Premium Endorsement

After the initial down payment, any additional premium resulting from an endorsement will be added equally to any remaining installments. If no installment payments remain, the total additional premium will be due within 30 days of the Endorsement Premium Invoice issue date.

2. Return Premium Endorsement

After the initial down payment, any return premiums resulting from an endorsement will reduce any remaining installments. If no installment payments remain, the total return premium will be forwarded to the producer within 30 days after the endorsement issue date.

D. Non-Payment of Installment Premium Invoice

If installment premium payment is not received by the due date, RIJRA will issue a Notice of Cancellation for non-payment of premium.

E. Service Charge

A service charge of \$3.00 will be added to each of the last three installment bills and included in the minimum amount due. If the annual premium is paid at inception, no service charge is imposed on the insured.