

**RHODE ISLAND
JOINT REINSURANCE ASSOCIATION**

Underwriting Division
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April 24, 2000

To: All Rhode Island Producers

SERVICE ENHANCEMENT

Revised Renewal Procedure

Effective immediately, the Association has streamlined its renewal procedure. Under the revised procedure, the Association has eliminated the application requirement for renewal of a policy. Consequently, the questions currently on the reverse side of the Premium Invoice/Application For Renewal have been eliminated; therefore, the insured's signature is no longer required. With the exception of the above, the renewal procedure remains unchanged. A copy of the revised procedure is printed on the reverse side for your review.

As a reminder, please note that the Association does not automatically renew policies. To renew a policy, the original Premium Invoice must be returned with payment in accordance with our renewal procedure. Photocopy of the Premium Invoice cannot be accepted. To ensure that each account is properly credited in a timely manner, all original invoices, with payments, should be mailed to our Connecticut lockbox facility at the following address:

**Rhode Island Joint Reinsurance Association
Department 5358
P.O. Box 30000
Hartford CT 06150-5358**

The Association believes that these changes will significantly simplify the renewal procedure, help prevent lapses in coverage and expedite issuance of renewal policies.

If you have any questions regarding this document, please contact our Consumer Services Department.

Very Truly Yours,

James H. Pappas
Vice President-Underwriting

JHP:nr

Renewal Procedure

RIJRA does not automatically renew policies.

Approximately 55-60 days prior to the expiration date of a policy, RIJRA will mail a Renewal Offer/Premium Invoice along with an Expiration Notification to the producer. A copy of the Expiration Notification will also be mailed to the insured. The Expiration Notification reflects the current coverages and forms. On most HO 00 02 and HO 00 03 policies, the expiration notice will include an inflationary increase on Section I coverages to be effective as of the inception date of the renewal policy.

The Renewal Offer/Premium Invoice includes a tear-off portion, which constitutes the remittance portion of the document. The tear-off portion of the invoice shows the premium due and the minimum due amounts, as well as the due date. The premium due amount is the total annual premium, and the due date is the expiration date of the policy. For policies eligible for RIJRA's Installment Plan, the minimum due amount equals 25% of the premium due. For policies ineligible for the Installment Plan, the minimum due amount is the same as the premium due amount.

Should RIJRA fail to issue an expiration notification prior to the expiration date, RIJRA, at the request of the insured, which must be received immediately after the error is discovered, will renew the policy as of the expiration date. The procedure to be followed to secure coverage would require the policyholder to complete an Application For Coverage and make payments to RIJRA.

To renew insurance, the insured must return the tear-off portion of the Renewal Offer/Premium Invoice with the payment of premium.

The tear-off portion of the Renewal Offer/Premium Invoice, with the payment of premium, must be received by RIJRA no later than six days after the policy expiration date/due date in order to avoid a lapse in coverage. Renewal payments received after the six-day grace period will cause the inception date of the policy to be the date the Association receives the premium. Renewal payments received more than 60 days after the policy expiration date will be rejected.

Examples			
Policy Expiration Date/Due Date	Date of Receipt by the Association of Invoice/Application with Payment	Renewal Policy Inception Date	Result
9/10/99	8/30/99	9/10/99	Invoice/application with payment received prior to expiration date - no lapse in coverage.
9/10/99	9/15/99	9/10/99	Invoice/application with payment received within six-day grace period - no lapse in coverage.
9/10/99	9/17/99	9/17/99	Invoice/application with payment received after six-day grace period - there is a lapse in coverage.

The due date shown on the Invoice is the expiration date of the policy and does not reflect the six-day grace period.

Any changes to the Renewal Policy may only be made by submitting an endorsement request to RIJRA after the renewal invoice has been paid. To make the changes effective as of the inception date of the Renewal Policy, the endorsement request must be received by RIJRA on or before the inception date of the Renewal Policy.