



# RHODE ISLAND JOINT REINSURANCE ASSOCIATION

---

Two Center Plaza  
Boston, Massachusetts 02108-1904  
(800)851-8978, FAX (617)557-5675

August 12, 2021

To: All Rhode Island, Brokers, Companies and Special Agents

RE: **Premium Installment Program Revision- Eight Installments**

The Association has filed and the Insurance Division has approved an amendment to its Premium Installment Program.

The revised installment plan expands the plan from a 6-payment plan (25% down payment followed by 5 installments) to an 8-payment plan (20% down payment followed by 7 installments.) The 8-payment plan includes a 20% down payment due at policy inception. The remaining balance will be billed in seven installments that are due in 30-day intervals, beginning on the 45th day from the policy inception (45th day, 75th day, 105th day, 135th day, 165th day, 195th day and 225th day). The plan also calls for a \$4.00 Installment fee for policy premium \$175 and a \$2 installment fee for policy premiums \$100 to \$174. These installment fees can be avoided by making payment online at [mpiaa.com](http://mpiaa.com). These changes will be effective for all new and renewal policies with an inception date of **September 1, 2021 or later**.

The previous installment plan will no longer be offered after September 1, 2021. A complete overview of the installment plan is attached for your review. Payments can be made online at [www.rijra.com](http://www.rijra.com) or by sending payment to:

Rhode Island Joint Reinsurance Association  
PO Box 981031  
BOSTON MA 02298-1031

If you have any questions regarding this change please contact the Association's Customer Service Unit.

Very truly yours,

John A. Cantalupa  
Vice President and Chief Underwriting Officer

**RHODE ISLAND JOINT REINSURANCE ASSOCIATION**  
**INSTALLMENT PROGRAM**

The Installment Program available to the Association's insureds offers the opportunity to spread premium payments over eight installments. The installment plan applies to both new and renewal business.

**ELIGIBILITY**

The minimum amount of annual premium which can be financed is \$100. A mortgagee or finance company is not eligible to finance policy premiums. Also, an applicant who was issued two notices of cancellation by the Association for non-payment of premium during a policy period will not be eligible to finance policy premium for the following year. The Association will require the payment of the full annual premium to place coverage in force if coverage is renewed or replaced.

**INSTALLMENT BILLINGS**

If the insured elects the installment plan, initial down payment installment of 20% of premium will be required at inception, with the remaining balance billed in seven installments equal to 11.4% of premium due in 30 day intervals, beginning on the 45th day from the policy inception date 45th day, 75th day, 105th day, 135th day, 165th day, 195th day 225th day in case of both new and renewal business and from the date the Association issues the New Business Invoice in case of a New Business application, under the Immediate Coverage Program. The entire premium must be paid within 225 days (approximately 8 months) of inception. Installment bills will be mailed from the Association 15 days prior to the due date. Sufficient premium will be billed at each installment so that if a cancellation is processed, the Association will have already collected cash an amount sufficient to cover the amount of earned premium. The billing cycle also allows the producer to market the policy to the voluntary market prior to the Association's renewal notice, which is sent 45 days prior to the expiration of the policy.

**PAYMENT OF PREMIUM**

All payments may be made on line at [www.rijra.com](http://www.rijra.com). The Installment Fee will be waived for installment payments transmitted using the Association's website.

Down payment of at least 20% of the required annual premium must accompany:

- (ii) the Premium Invoice issued under the Association's New Business procedure, or
- (iii) the Premium Invoice issued under the Association's Renewal procedure.

Bills for subsequent installments will be sent directly to the insured, along with a self-addressed return envelope. Insureds will be instructed to return the remittance using the return envelope. The Association uses a bank lockbox facility to process these payments.

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 future installment payments. Payment of more than the minimum due will not create an overpayment status unless the full policy premium is exceeded.

There will be a grace period of 2 days on any installment payments after which a notice of cancellation will be automatically issued, resulting in cancellation if the payment has not been received by the cancellation effective date. Receipt date of the installment payment will be the date of deposit by the bank. If an installment payment is received after the cancellation effective date, the policy will not be reinstated.

The bank will automatically redeposit a check returned for insufficient funds. A returned check will only be redeposited once. Checks rejected more than once will result in automatic issuance of notice of cancellation for non-payment of premium.

One check should not be used to pay for more than one policy.

### **ENDORSEMENTS**

After the initial down-payment, any additional premiums resulting from an endorsement will be added equally to any remaining installments. If no installment payments remain, the entire premium will be due 30 days after the endorsement issue date.

If an endorsement results in a reduction of premium that is less than the total balance due on the remaining installments, the reduction in premium will be applied so as to reduce future installment payments. If the excess premium is greater than the remaining installments due, the premium will first be applied to the outstanding balance and a check will be issued to the insured for the overpayment and sent to the producer.

### **SERVICE CHARGE**

A service charge of \$4, as per schedule below, will be added to each of the last seven 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.

<b><i>SERVICE CHARGE SCHEDULE:</i></b>	<b><i>Annual Premium</i></b>	<b><i>Service Fee</i></b>
	\$100 - \$174	\$2
	\$175– and above	\$4

Service charge will be waived for installment payments transmitted using the Association's website.

### **COMMISSIONS**

Commissions will be paid on the full policy premium at inception or renewal even if the insured elects the installment option. No commission will be paid on the service charge. A commission check along with an itemized statement will be issued on or about the 15<sup>th</sup> of the month following the month in which business has been placed with the Association. Any commission balance due the Association from an agent as a result of cancellation or return premium endorsement will be billed on or about the 15<sup>th</sup> of the month following the month in which the transaction has taken place.

### **UNDERPAYMENTS**

Underpayments of \$10 or less on installment payments will be accepted and the difference will be added to the next billing cycle. Underpayments of greater than \$10 will be applied to the outstanding balance and a cancellation invoice and notice will be issued for non-payment of premium.