

AR Premium Guidelines

RECEIPT OF PREMIUM

The Servicing Carrier will not issue **renewal policies** to employers if the initial premium due is not received by the policy's effective date, or if received by mail that is postmarked on or before the policy's effective date, provided that payment is received within ten (10) days after the effective date.

If the renewal payment is received more than ten (10) days after the effective date, but is received within twenty (20) days after the effective date, the Servicing Carrier shall issue a new policy to the employer without requiring the employer to reapply to the Plan. The new policy will be effective as of 12:01 A.M. the day **after postmark**. If the payment is received more than twenty (20) days after the effective date, the employer will need to reapply for coverage to the Plan by submitting a new application.

PAYMENT PLAN

Estimated Annual Premium - EAP

- EAP less than \$2,000 – 100% down payment
- EAP \$2,000 - \$9,999 – 50% down payment with 3 equal quarterly installments
- EAP \$10,000 or more – 50% down payment with 3 equal quarterly installments OR 35% with 8 equal monthly installments

The due date for each **installment** shall be no less than 30 days prior to the period to which the premium applies.

CANCELLATION PROCEDURES –

- Non-payment of premium – **30-day notice required**
- Refusal to permit completion of payroll audit – **60-day notice required**
- Other reasons approved by Commissioner and/or Plan Administrator – **60-day notice required**
- Policyholder request – Carrier shall not honor requests to cancel policies retroactively beyond the date of request **except in cases of duplicate coverage**.

The Carrier will **reinstate** a policy without a lapse of coverage if the basis for cancellation is removed **before** the cancellation is to take effect. If the basis for cancellation is removed **after** the cancellation has taken effect the employer will need to reapply.