



**NORTH CAROLINA
INSURANCE UNDERWRITING ASSOCIATION**

BEACH PLAN
**NORTH CAROLINA
JOINT UNDERWRITING ASSOCIATION**

FAIR PLAN

**NORTH CAROLINA INSURANCE UNDERWRITING ASSOCIATION
(NCIUA)**

INSTALLMENT PAYMENT PLAN ANNOUNCEMENT

January 1, 2011

Effective Date for Installment Plans

- In addition to our 1 Pay-full annual payment plan beginning January 1, 2011, the NCIUA will offer the following installment payment plans:
 - 2 Pay-Semi Annual with initial 50% payment and the second 50% installment to be paid by the 180th day.
 - 4 Pay-Quarterly with initial 25% payment and three remaining installments to be paid by the 90th, 180th and 270th day.

Policies Canceled for Non-Payment of Installment

- The intent of this program is not to allow any period of installment to create unearned premium; therefore, if any installment is still unpaid 15 days prior to its due date a notice of cancellation for non-payment of premium will be sent.
- If a policy cancels but money is received within 30 days of the cancellation date the policy will reinstate with a lapse in coverage and will retain the original expiration date. The policy would then no longer be eligible for a payment plan for that policy term. The NCIUA will bill for the remaining balance to be paid within 30 days and any cancellation for non-payment will be based on equity as it is today. Upon policy continuation (renewal) the original payment plan will apply as long as eligibility requirements are met.

Endorsements to Installment Plan Policies

- If an additional premium is incurred by endorsement on a policy with an installment plan, we will spread the balance due over the remaining installments.
- If a return premium is incurred by endorsement on a policy with an installment plan, we will utilize the credit to adjust future installments or current balance due.

Selection of Installment Plans

- Installment plan options are only available at policy inception (new business) or when the policy continues (renews).

New Business

Beginning January 1, 2011 installment plan can be selected at the time the new business application is submitted to NCIUA.

Continuation Bills Issued Prior To January 1, 2011

If the annual continuation bill has been issued prior to January 1, 2011, for a policy effective January 1, 2011 or later, and no payment has been received by NCIUA, then the Policyholder can select a payment plan option by contacting the Payment Plan Unit at (800) 662-7048 or (919) 821-1299 Extension 5358.

A payment plan **must** be selected prior to any payment being received or processed through our credit card feature.

NCIUA must know that the Policyholder is selecting a payment plan before any payment is made.

Continuation Bills Issued Beginning January 1, 2011

All continuation bills issued beginning January 1, 2011 will include a section on the remittance portion for the Policyholder to select if they wish to participate in a payment plan.

The remittance portion of the bill **must** accompany the check when the payment is mailed to NCIUA.

If the Policyholder wishes to make a payment via our credit card feature they **must** contact the Payment Plan Unit at (800) 662-7048 or (919) 821-1299 Extension 5358 before the making the credit card transaction.

- Installment plans **cannot** be selected or changed mid-term of policies

Fee for Installment Plans

- There is a \$3.00 installment fee for each installment

Eligibility Rules

- All NCIUA policies are eligible (except Crime and Farm policies)
- Applies only to a full-term annual policy; short term policies are **not** eligible for payment plans.
- Total annual premium **must** be \$250.00 and greater
- Mortgagee billed policies are **not** eligible for an installment plan
- Premium Finance policies are **not** eligible for an installment plan
- If Policyholder has more than three prior cancellations for non-payment of premium then the policy is **not** eligible for an installment plan

NOTE: The Installment Plans are not available in the NCJUA - FAIR Plan.