



New Direct Bill System for Personal Lines Policyholders

June 16, 2011 - Fireman's Fund is introducing a new direct bill system designed to give our personal lines policyholders more convenience and flexibility in managing their accounts and paying their bills. The new bill system will roll out first for policies administered through the Fireman's Fund Policy Administration System that renew on or after September 1. For all other policies it will be rolled out as the policies renew on or after November 1.

The Policy Administration System is currently used to process auto policies in Arizona, Colorado, Connecticut, Illinois, Kansas, Maryland, Missouri, Ohio, Oregon, Tennessee, and Texas. The system also allows for the processing of Property policies in Arizona.

Online Bill Pay

- We will be offering your policyholders/payors the ability to receive electronic statements through the Online Bill Pay tool.
- Policyholder/payors will also be able to pay their bills online through either one-time or recurring Electronic Funds Transfer (EFT) payments.
- Agents will have view-only access to Online Bill Pay.
- Policyholders who register with Online Bill Pay will receive payment reminders via email.

Account-Level Billing

- Based on your requests we will be offering the convenience and simplicity of account-level billing, which means all policies under the same account will now be billed on one account-level statement.
- All of a customer's policies will be consolidated onto one account-level statement as they renew into the new direct bill system. This process will take up to 14 months. (All policies must have the same payor, payment method, due date, and agency location code to be on the same billing account.)

Pay Plan Options Are Changing

- We are reducing the number of payment plans and will be offering the following: 1-payment, 2-payment, 4-payment, and monthly. Monthly payments require EFT.
- Our 9-payments per year plan in all states (except Texas Auto policies) will be discontinued. Policyholders currently on a 9-payment per year plan will be defaulted to a 4-payment plan and have the option of selecting one of the alternative pay plans listed above.
- EFT is now available for all payment plans.
- NOTE: For six-month policies that are not paid in full at the beginning of the policy period, the payment plan will change to a 4-payment plan (4 installments of 25% each due every 30 days).

Cancellation for Non-Payment

- Notices of cancellation for non-payment will be issued 8 days after payments are due (i.e., following a 7-day grace period).

Multiple Billing Systems

- The current Personal Insurance direct bill system (Real Time Billing Inquiry) will remain in operation alongside the new direct bill system for a period of 12-15 months. During this period you will have access to both systems.
- Policyholders who have multiple policies with different renewal dates will receive statements from both the new and old direct bill systems. This will result in a policyholder temporarily having policies with different rules until all policies are renewed into the new direct bill system.

Fee Changes (NSF fees, reinstatement fees, installment fees) *

- A \$25 fee will be assessed for insufficient funds and reinstatements after cancellation for non-payment.
- Installment fees nationwide will now be \$6 per installment for those policies where payments are received by check and/or Fireman's Fund sends a paper invoice. This is a reduction in many states.
- There will be no installment fees for those policies that elect for EFT or paperless invoicing.

*Subject to DOI approval.

Policyholder Communications

We will communicate the payment plan changes and Online Bill Pay benefits to your policyholders through a series of communications. Here are examples of the [first communication](#) and [second communication](#).

Commission Timing

Commissions in full will now be generated upon receipt of first sufficient payment (defined as at least 90% of the minimum amount due).

There is a set of [Frequently Asked Questions on the new direct bill system](#) available on Fireman's Fund Agent Desktop (login required). Please review it for more details.

If you need assistance with billing related inquiries please contact Billing Operations at 866.386.3932 or email billingservices@ffic.com.

Thank you for making Fireman's Fund your first choice for your customers.

These descriptions of coverage are abbreviated and are subject to the terms, conditions and exclusions of the actual policy, which forms the contract between the insured and the insurance company. Available coverages, credits and options may vary by state.

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