

Premium Plan Examples.

The monthly premium payment examples below are for illustration purposes only. Policyholder actual payment plans are dependent on policyholders' actual billing cycle and deferred balances, if any.

Example 1

A policy with a term of 1/1/2020 to 1/1/2021 at \$10,000 annually.

- Regular quarterly installment payments of \$2,500 due on 1/1/2020, 4/1/2020, 7/1/2020, and 10/1/2020 each.
- The policyholder defers \$3,000 during the premium payment grace period from March 20, 2020 to October 1, 2020.
- Therefore, as of 10/1/2020, the policyholder has an accrued deferred premium balance of \$3,000. ISMIE is permitting this balance to be paid off in monthly installments until 10/1/2021. This balance is calculated by dividing the accrued balance by the number of months remaining until October 1, 2021.
- The monthly amount to be paid is:
 - October 1, 2020: \$2,500 quarterly installment PLUS \$250 on the monthly payment plan = \$2,750.
 - November 1, 2020: \$250
 - December 1, 2020: \$250
 - January 1, 2021 (assume renewal is \$10,000 annual premium): \$2,500 quarterly installment PLUS \$250 on the monthly payment plan = \$2,750
 - February 1, 2021: \$250
 - March 1, 2021: \$250
 - April 1, 2021: \$2,500 quarterly installment PLUS \$250 on the monthly payment plan = \$2,750
 - May 1, 2021: \$250
 - June 1, 2021: \$250
 - July 1, 2021: \$2,500 quarterly installment PLUS \$250 on the monthly payment plan = \$2,750
 - August 1, 2021: \$250
 - September 1, 2021 \$250
 - October 1, 2021: \$2,500 quarterly installment (payment plan balance of \$3,000 paid in full)

Example 2

A policy with a term of 5/1/2020 to 5/1/2021 at \$10,000 annually.

- Regular quarterly installment payments of \$2,500 due on 5/1/2020, 8/1/2020, 11/1/2021, and 2/1/2021 each.
- The policyholder defers \$5,000 during the premium payment grace period from March 20, 2020 to October 1, 2020.
- Therefore, as of 10/1/2020, the policyholder has an accrued deferred premium balance of \$5,000. ISMIE is permitting this balance to be paid off in monthly installments until 10/1/2021. This balance is calculated by dividing the accrued balance by the number of months remaining until October 1, 2021.
- In this example, because this policyholder does not have a quarterly bill due on October 1, 2020, the billing will start on its first quarterly bill after October 1, 2020. For this example, the first quarterly installment after October 1, 2020 is November 1, 2020.

· The monthly amount to be paid is:

- October 1, 2020: No installment.
- November 1, 2020: \$2,500 quarterly installment PLUS \$454.55 on the monthly payment plan = \$2,954.55.
- December 1, 2020: \$454.55
- January 1, 2021: \$454.55
- February 1, 2021: \$2,500 quarterly installment PLUS \$454.55 on the monthly payment plan = \$2,954.55
- March 1, 2021: \$454.55
- April 1, 2021: \$454.55
- May 1, 2021: (assume renewal is \$10,000 annual premium): \$2,500 quarterly installment PLUS \$454.55 on the monthly payment plan = \$2,954.55
- June 1, 2021: \$454.55
- July 1, 2021: \$454.55
- August 1, 2021: \$2,500 quarterly installment PLUS \$454.55 on the monthly payment plan = \$2,954.55
- September 1, 2021: \$454.55
- October 1, 2021: \$0.00 (Monthly payment plan of \$5,000 paid in full)

CONDITIONS:

- Applies only to medical professional liability premiums.
- Applies only to policies billed directly by ISMIE Mutual. The premium payment grace period is not available to ISMIE Indemnity policies, policies billed through an insurance agency, or policies subject to a premium finance agreement.
- The premium payment grace period is from March 20, 2020 to October 1, 2020. Only premium payments due from March 20, 2020 to October 1, 2020 are subject to the premium payment grace period.
- The only premium subject to the monthly payment plan is the premium balance accrued from March 20, 2020 to October 1, 2020. Any regular, quarterly premium payments due after October 1, 2020 are not eligible for the monthly payment plan.
- The premium payment grace period applies only to medical professional liability policyholders with policies in force and of record as of March 20, 2020 through October 1, 2020.
- Policyholder is responsible for any applicable premium taxes, surplus charges or assessments due during the premium payment period.
- ISMIE Mutual will continue to invoice policyholders throughout the premium grace period.
- If the policy is not renewed, all outstanding premiums are owed upon expiration of the policy.
- ISMIE Mutual will not issue an extended reporting period, "tail," endorsement if there is any balance due on a policy. Policies must be paid in full in order to receive a tail endorsement. This condition applies to paid as well as retirement tail endorsements.
- The above assumes that the policyholder's state will allow premium deferments outside of policy norms.
- The premium payment grace period and monthly payment plan does not apply to any deductibles or self-insured retention (SIRs) due.