

Payment Terms for G. J. Sullivan Co.

Contract New and Renewal Policies- GJS must receive net deposit (25% of gross premium, plus 100% of all taxes/fees, plus 100% of ALL FULLY EARNED Additional Insured Endorsements, minus Producer's commission) and a copy of the premium finance agreement. The actual live check and other required financial documents must be received in our office within 10 days of the effective date. Full net payment is expected no later than **30 days** from the effective date. Direct Bank Wire instructions are available upon request.

BROKERAGE POLICIES – **Payment terms will be advised at time of quoting.** Brokerage carriers often have special payment terms that differ from the GJS standard terms. Please understand that this is beyond the control of GJS.

Gross premiums under \$1,000 cannot be premium financed. 100% net must be paid in full at time of binding when gross premium is less than \$1,000.

Please note that all premium finance payments must be made payable directly to G. J. Sullivan. GJS does not accept agency drafts.

Contract Additional Premium Endorsements- All additional premium endorsements must be added to the finance contract or paid in full (gross premium minus commission) within **30 days of GJS's invoice date or as otherwise advised**. Please note that Brokerage companies may have different remittance terms required.

Fully Earned Additional Premium Endorsements- such as Additional Insureds must be paid in full within **10 days of the endorsement effective date** to avoid cancellation. No payment extensions will be given. Please note that Brokerage companies may have different remittance terms required.

Fully Earned Policy Premiums- such as Special Events must be **100% paid in full prior** to the effective date of the policy. Agent may retain commission.

Audit Premiums – 100% net due in full **20 days from invoice date**. If in dispute a documented dispute with all necessary supporting details must be received within those same 20 days. This dispute will be submitted to the Carrier for review and acceptance. Once an Audit is returned back to the Insurance Company for direct collection, all commissions are forfeited. Please immediately contact your Underwriter with further questions.

Contract Return Endorsements/Cancellations - When a return endorsement or cancellation credit is processed the return premium check will be issued as per the schedule below. This schedule reflects the way we receive credits back from the carriers which generally takes 45 days from the month end closing. For example:

Invoice Date	5/2006	Check issuance date is between 7-20 and 7-25
Invoice Date	6/2006	Check issuance date is between 8-20 and 8-25
Invoice Date	7/2006	Check issuance date is between 9-20 and 9-25

Brokerage companies may have different return premium schedules that are beyond the control of GJS. GJS will endeavor to return brokerage RPs within 10 days of our receipt from the brokerage carrier.

NOTE: We are required by law to return the net credit to the finance companies directly. Agents are required to remit their unearned commission directly to the Finance Companies. By law, we **CAN NOT** use return endorsement credits to pay additional premium endorsements without approval of the premium finance company.

Please inform your insured that he/she must continue to make the regular premium finance payments until notified by the premium finance company that an adjustment has been made. Otherwise the loan may go into default and additional late fees may be due from your insured.

We hope this clarifies our payment terms and procedures. We do not offer statement remittance at this time to our Producers and ask that you pay based on the invoice you will receive from us with each transaction. If you have additional questions in regards to our remittance terms, please contact our CFO, Diane Moen, in the Orange Accounting Office at 714-621-2350.

_____ Initials

Ver. 8/15/08