

SECTION IX

PAYMENT OF PREMIUMS

Premium payments may be made to the Plan by a licensed property insurance agent's, broker's, or mortgagee's check, by personal check, money order or cash, if the cash is personally delivered to a Plan office. (No cash should be mailed.) Payment may also be made by a bank cashiers or treasurers check, or by a check issued by a licensed premium finance company, or by credit card or bank account transfer (EFT) via the FAIR Plan's website.

All checks and/or money orders shall be made payable to "The PA. FAIR Plan" or "The Insurance Placement Facility of Pennsylvania" which may be abbreviated IPFOP.

Once timely payment has been received, the Plan will not cancel a policy for non-payment of premium. Producers are cautioned against advancing the premium for an insured since policies will not be cancelled for an insured's failure to reimburse the producer for premiums paid on their behalf.

A. POLICY ORDER FORMS

No coverage will be provided by the Plan until the required premium is received in the Plan office. If mailed, such remittance should accompany the "Policy Order Form".

The six digit File Number appearing on the "Policy Order Form" should be shown on the remittance for proper identification.

B. ADDITIONAL PREMIUMS

1. When an additional premium becomes due, the Plan will mail a bill for such additional premium to the insured or his/her representative who shall make prompt remittance. Failure to pay an additional premium due within 30 days of receipt of the bill may cause the policy to be cancelled. A request for reinspection will not extend the time limit for payment of a bill for additional premium.

2. Cancellation of a policy for non-payment of additional premium will be rescinded if full payment is received prior to the due date. Once a policy has been cancelled for non-payment, a new application is required, including payment of any outstanding premium balance from the prior policy.

C. MINIMUM POLICY WRITING PREMIUM

Dwelling Policy	\$75.00
Commercial Policy	\$100.00

D. RETURN PREMIUMS

Should a return premium become due as the result of an endorsement or policy cancellation, the Plan will remit to the insured or his/her representative a check for the net return premium.

1. A check, net of commission, will be mailed to the producer who shall promptly remit to the insured his own check for the full gross return premium. Under no circumstances may any producer withhold from the insured any portion of the unearned commission.
2. Should any insured make demand upon the Plan for the gross return premium, or should the Plan be called upon to return the gross return premium to a premium finance company, mortgagee or loss payee on policies written through an insurance producer, such producer shall promptly refund to the Plan, on demand, any unearned commission.
3. If payment is made by credit card, the return premium may be processed as a credit on that account.

E. WAIVER OF ADDITIONAL OR RETURN PREMIUMS

1. No additional premium shall be charged, and no return premium allowed, except on full term endorsements if rated from the I.S.O. Dwelling Program, when the amount of such additional or return premium is less than three dollars (\$3.00), except upon demand.
2. No additional premium shall be charged, and no return premium allowed, except on full term endorsements on other Class or Schedule Rated Risks, when the amount of such additional or return premium is less than fifteen dollars (\$15.00), except upon demand.

F. COMMISSIONS

The commission to licensed property insurance producers is 10% of the gross premium. Producers may withhold commissions when making premium payments to the Plan. Should premium adjustments be made that result in return premiums to the insured, the Plan will issue a check, payable to the producer, for the return premium amount less the commission allowance. The producer is required to return the full gross return premium to the insured thereby remitting the unearned commission.

The Pennsylvania Insurance Department under the authority of The Producer Licensing Modernization Act, Act 147 effective June 4, 2003 prohibits licensed property insurance producers from making any additional charge or charging any fee for placing any personal lines (dwelling fire) coverage in the Plan and for charging any fee for aid in the completion of an application. Producer remuneration shall be limited to the commission allowance on the earned premium.

G. DISHONORED CHECKS FROM THE INSURED

No coverage will be effective if the premium remittance is justifiably dishonored by the financial institution.