Guide to Direct Bill
## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction to Direct Bill</td>
<td>2</td>
</tr>
<tr>
<td>Benefits to Your Agency</td>
<td>2</td>
</tr>
<tr>
<td>Billing Options</td>
<td>3</td>
</tr>
<tr>
<td>Payment Options</td>
<td>4</td>
</tr>
<tr>
<td>Direct Bill Details</td>
<td>4</td>
</tr>
<tr>
<td>Automated Agents</td>
<td>6</td>
</tr>
<tr>
<td>Customer Service</td>
<td>8</td>
</tr>
<tr>
<td>Our Commitment to the Future</td>
<td>8</td>
</tr>
<tr>
<td>Direct Billing Cycle</td>
<td></td>
</tr>
<tr>
<td>Lump Sum</td>
<td>10</td>
</tr>
<tr>
<td>2-Pay Plan</td>
<td>11</td>
</tr>
<tr>
<td>4-Pay Plan</td>
<td>12</td>
</tr>
<tr>
<td>6-Pay Plan</td>
<td>13</td>
</tr>
<tr>
<td>10-Pay Plan</td>
<td>14</td>
</tr>
<tr>
<td>10 Equal Pay Plan</td>
<td>15</td>
</tr>
<tr>
<td>e-Pay for Business Insurance</td>
<td>16</td>
</tr>
<tr>
<td>Understanding the e-Pay Bill</td>
<td>17</td>
</tr>
<tr>
<td>Summary of Direct Bill Contacts</td>
<td></td>
</tr>
</tbody>
</table>

Back Cover
Introduction to Direct Bill
Direct Bill is the most cost-effective means of billing and collecting premiums, and is the preferred method for billing small commercial accounts. At Travelers, we provide a billing product that offers competitive payment options, excellent customer service and ease of use, in hopes of keeping you and your clients satisfied.

Benefits to Your Agency
Reduced Operating Expenses
Direct Bill alleviates your agency’s staff from manually billing and collecting policy premiums, so you can focus agency resources on revenue-generating activities.

Direct Bill Accounting Service Representatives are committed to providing excellent customer service. Simply call 800.232.2268 for your billing related questions. Representatives are available Monday – Friday from 7 a.m. to 8 p.m. ET.

Agents:
• Press or say two (2) for Agent, then
• Press or say one (1) for Direct Bill Voice Response Unit (VRU)

Insureds:
• Press or say one (1)

Early Commission Payment
The “Commission and Accounting Information Statement” summarizes monthly payment activity. This amount can be positive or negative.

If the monthly commission amount is positive, payment will be made at the end of the month. A commission schedule is provided each year with the commission payment dates.

If the monthly commission amount is negative, you will receive a bill with your statement. Any billed amount not paid by the due date is automatically deducted from future commission amounts.

Billing Options
Account or Policy Billing
You have the option to bill policies individually (Policy Billing) or on an account basis (Account Billing). Account Billing consolidates one or more policies onto a single bill, which is considered an attractive feature for most small commercial accounts.

Installment Options
There are currently six payment options for Direct Billed policies: Lump Sum, Two Payment, Four Payment, Six Payment, Ten Payment, and Ten Equal Pay. See below for current plans. (Note: The actual number of installments is dependent on the date the policy is issued; see page four, “Catch Up Billing,” for details.)

Current Plans
Lump Sum For new business, the insured pays 25 percent down and receives one bill for balance of premium due, approximately one month after the policy is issued.
For renewals, a single bill is issued for the total amount.

Two Payment (Semi-annual) For new business, the insured pays 25 percent down and receives up to two installment bills.
Total premium is paid within six months of the policy effective date. For renewals, up to two bills will be issued, each for 50 percent of total premium.

Four Payment (Quarterly) For new business, the insured pays 25 percent down and receives up to three installment bills.
Total premium is paid in full by the end of the tenth month. For renewals, four bills will be issued, each for 25 percent of total premium.

Six Payment For new business, the insured pays 25 percent down and receives up to five monthly installments. Total premium is paid in full by the end of the sixth month.
For renewals, six bills will be issued. The first bill will be for 25 percent of the total premium.

Ten Payment For new business, the insured pays 25 percent down and receives up to nine monthly bills. Total premium is paid in full by the end of the tenth month.
For renewals, ten bills will be issued, each for 10 percent of the total premium.

Ten Equal Pay For new business, the insured pays 25 percent down and receives up to nine monthly bills. Total premium is paid in full by the end of the tenth month.
For renewals, ten bills will be issued, each for 10 percent of the total premium.

(This payment option is typically available for renewals.)

Fees and Charges
Fees and charges may be applied to the account for installment billing or late payment activity.
Payment Options
Travelers offers the ability to make a payment by check, online or by phone.

Online Bill and Payments
To schedule an online payment or to sign-up for Automatic Recurring Payment visit our e-Pay for Business Insurance Web site, travelerspay.com.

Pay by Phone
Travelers Voice Response Unit offers detailed billing information and the ability to pay Business Insurance Direct Bill accounts by phone, 24 hours a day, seven days a week.

To make a payment over the phone, follow the steps below:

- Dial 800.252.2268,
- Press one (1) for insured access or two (2) for agent access to the VRU, then
- Follow the prompt to input the billing account number followed by the # key. (Letters in the account number correspond to the letters on the telephone keypad.)

Direct Bill Details
Billing Cycle
Payments are due 20 days from the date the bill is issued. Bills are issued monthly (based on the payment plan), with payment due on the “locked due date.” The “locked due date” is determined by the effective and issuance dates of the policy and remains the same throughout the policy period. The “locked due date” will change upon renewal to the policy effective date.

Catch Up Billing
Policies that are issued late will delay the billing cycle, thereby increasing the first installment billed and decreasing the number of installments available.

Endorsement Processing
Return premium endorsements reduce the current policy installment pro rata based on the ratio of the billed premium to the full term premium.

- Future installments are proportionately reduced by any excess.
- Excess is allocated equally, reducing the amount of the remaining installments.
- Outstanding balances on other account policies are reduced if there is any amount remaining after allocation at the policy level.
- The customer receives any amount remaining after allocation to current or future balances.

Additional premium endorsements are allocated over the remaining installments available in the term. The change premium increases the unbilled premium, and the remaining installment amount increases on a pro rata basis. Additional premium generated by a change on a prior term is billed lump sum at the next bill date.

Audits
Audit return premiums or additional premiums are processed on a lump sum basis. Interim bills may be issued when the payment plan is either Two Pay (Semi-annual) or Four Pay (Quarterly).

While audits are processed on a lump sum basis, there are implications on current coverage. Return premium is similar to a payment. It is money to apply to the current term. It pays any outstanding installment and any money left over is held as a partial payment on future installments. If the audit return premium is more than the total policy premium, the policy is paid in full and any remaining premium is applied to outstanding balances on other policies on the same billing account. If any premium remains after all policies are paid in full, that amount is refunded to the customer.

Non-Payment Cancellations
The non-payment cancellation process begins when payment on a policy is overdue.

- The effective date of cancellation is based on state requirements (usually 10 days), plus additional time for processing and mailing.
- The amount due is the current installment plus the past due amount.
- Cancellation is at the policy level, so for account bills it is possible that one or more policies are being billed while other policies may be sent Notices of Cancellation.
- Any policy pending cancellation will be displayed on the bill with a notice to the insured stating that the policy is pending cancellation and a separate notice has been issued.
- If all policies on the account are pending cancellation, an account bill will not be issued.
- Two notices of cancellation on one policy within a policy period will result in the remaining balance being billed on a lump sum basis.
- Two or more cancellation notices will result in continuation of lump sum billing into subsequent renewal periods.

Payment Processing
Downpayments are handled as follows:

Automated Agents
Automated agents should send checks with completed Check Control Document (CCD) to Richmond Accounting:

Travelers
P.O. Box 26208
Richmond, VA  23260-6208

Non-Automated Agents
Non-automated agents should send checks with policy applications to their local Select Accounts field office.
Installments
Installment bills include an envelope and a remittance stub. Both the remittance stub and payment should be returned together in the envelope provided to prevent unnecessary processing delays. If the envelope is not available, the payment and remittance stub should be sent to the CL Remittance Center:

Travelers
CL Remittance Center
Hartford, CT 06183-1008

Automated Agents
Deposit Checks
As an automated agent, you will remit deposit checks directly to Richmond Direct Bill utilizing Travelers self-addressed envelopes. Using these envelopes for remitting deposit checks guarantees that moneys are applied quickly. To ensure that checks are internally routed and immediately processed, use the envelopes marked “PAC EXPRESS” in the lower left corner. Refer to sample below.

Check Control Document
To enhance efficiency and to maintain a control so that moneys are accurately applied, the completion of a Check Control Document (CCD) is required. The CCD identifies the check(s) enclosed in the envelope, the amount of each check, and how the insured wants the amount applied to each of his/her policies.

The CCD is a carbonized snap-out set.

The first page (white copy) is the completer’s copy. This copy can be maintained as part of your agency’s account file for documentation of moneys collected by you and remitted to Travelers.

The second page (light blue) is the Travelers accounting copy. The Travelers accounting copy is to be attached (stapled) to the check it represents.

Each check mailed to the Richmond Direct Bill accounting department must be accompanied by a CCD. The CCD expedites the handling of checks.

The completion of the CCD is easy. The following items should be entered:

1. Date: Today’s date.
2. Initials: The completer’s initials.
3. Insured’s Name: Name of insured.
4. Insured’s Address: Mailing address of insured.
5. Agent Name/Code: Your agency name and Travelers agent code.
6. Marketing Location: Name of your local Select Accounts office.
7. Policy Number(s): System-generated policy number.
8. Form(s): System-generated policy form.
9. Effective Date: Effective date of the policy.
10. Down Payment Amount: The amount applied to the policy. (25% of the policy premium).
11. Check Number: The check number.
12. Total Check Amount: The total of the down payment amount(s) being remitted.

Envelopes can be ordered online on Agent HQ by selecting the Small Business tab Tools/Direct Billing and selecting the Order Direct Billing Supplies link. When making a request, the item number CP-5996 will display as a reference.

Envelopes can be ordered online on Agent HQ by selecting the Small Business tab Tools/Direct Billing and selecting the Order Direct Billing Supplies link. When making a request, the item number CP-5996 will display as a reference.
Customer Service

Direct Bill Address:
Travelers
P.O. Box 26208
Richmond, VA 23260-6208

Our Commitment to the Future
We value your comments. Please continue to provide us with your feedback, so we may continue to improve our system. For your reference, a summary of key Direct Bill contacts is printed on the back cover.

Thank you for your business and your support of Travelers Select Accounts Direct Bill program.

Direct Bill Voice Response Unit (VRU) and Customer Service:
800.252.2268
- Press zero (0) for a Service Rep.
- Press two (2) for Agent, then one (1) for VRU.

DIRECT BILLING CYCLE
### 2-Pay Plan

This exhibit provides an overview of the billing cycle and an explanation of the key features of the 2-Pay Plan.

The following scenario illustrates the relationship between policy effective date, policy issuance date, billing date, locked due date and available payments. This example is an illustration only.

Example: New Business
- Effective 1/1/08
- Account must be paid in full by month six of policy term.
- Total Payments = Three (25 percent down payment and two installments)

<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
<th>Explanation</th>
<th>Percent of Annual Premium to have been paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/1/08</td>
<td>Policy Effective</td>
<td></td>
<td>25%</td>
</tr>
<tr>
<td>1/5/08</td>
<td>Policy Issuance Date</td>
<td>To allow for issuance of all Companion Policies (Approx. Seven – Nine day window)</td>
<td></td>
</tr>
<tr>
<td>1/12/08</td>
<td>Bill Issued</td>
<td>To allow for customer payment (Approx. 20 day window)</td>
<td></td>
</tr>
<tr>
<td>2/1/08</td>
<td>Payment Due</td>
<td>Policy paid in full. No additional billing unless endorsement activity.</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Valid locked due date = 1-28

### Lump Sum

This exhibit provides an overview of the billing cycle and an explanation of the key features of the Lump Sum Plan.

The following scenario illustrates the relationship between policy effective date, policy issuance date, billing date, locked due date and available payments. This example is an illustration only.

Example: New Business
- Effective 1/1/08
- Accounts must be paid in full by due date of bill.
- Total Payments = Two (25 percent down payment and one installment)

<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
<th>Explanation</th>
<th>Percent of Annual Premium to have been paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/1/08</td>
<td>Policy Effective</td>
<td></td>
<td>25%</td>
</tr>
<tr>
<td>1/5/08</td>
<td>Policy Issuance Date</td>
<td>To allow for issuance of all Companion Policies (Approx. Seven – Nine day window)</td>
<td></td>
</tr>
<tr>
<td>1/12/08</td>
<td>Bill Issued</td>
<td>To allow for customer payment (Approx. 20 day window)</td>
<td></td>
</tr>
<tr>
<td>2/1/08</td>
<td>Payment Due</td>
<td>Policy paid in full. No additional billing unless endorsement activity.</td>
<td>100%</td>
</tr>
</tbody>
</table>

### Direct Billing Cycle

#### Lump Sum

This exhibit provides an overview of the billing cycle and an explanation of the key features of the Lump Sum Plan.

The following scenario illustrates the relationship between policy effective date, policy issuance date, billing date, locked due date and available payments. This example is an illustration only.

Example: New Business
- Effective 1/1/08
- Accounts must be paid in full by due date of bill.
- Total Payments = Two (25 percent down payment and one installment)
6-Pay Plan
This exhibit provides an overview of the billing cycle and an explanation of the key features of the 6-Pay Plan.

The following scenario illustrates the relationship between policy effective date, policy issuance date, billing date, locked due date and available payments. This example is an illustration only.

Example: New Business
Effective 1/1/08
Account must be paid in full by month six of policy term.
Total Payments = Six (25 percent down payment and five installments)

<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
<th>Percent of Annual Premium to have been paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/1/08</td>
<td>Policy Effective</td>
<td>25%</td>
</tr>
<tr>
<td>1/6/08</td>
<td>Policy Issuance Date</td>
<td>25%</td>
</tr>
<tr>
<td>3/12/08</td>
<td>Bill Issued</td>
<td>50%</td>
</tr>
<tr>
<td>4/1/08</td>
<td>2nd Payment Due</td>
<td>75%</td>
</tr>
<tr>
<td>7/1/08</td>
<td>3rd Payment Due</td>
<td>100%</td>
</tr>
<tr>
<td>10/1/08</td>
<td>4th Payment Due</td>
<td></td>
</tr>
</tbody>
</table>

*Valid locked due date = 1-28

4-Pay Plan
This exhibit provides an overview of the billing cycle and an explanation of the key features of the 4-Pay Plan.

The following scenario illustrates the relationship between policy effective date, policy issuance date, billing date, locked due date and available payments. This example is an illustration only.

Example: New Business
Effective 1/1/08
Account must be paid in full by month 10 of policy term.
Total Payments = Four (25 percent down payment and three installments)

<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
<th>Percent of Annual Premium to have been paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/1/08</td>
<td>Policy Effective</td>
<td>25%</td>
</tr>
<tr>
<td>1/6/08</td>
<td>Policy Issuance Date</td>
<td>25%</td>
</tr>
<tr>
<td>3/12/08</td>
<td>Bill Issued</td>
<td>50%</td>
</tr>
<tr>
<td>4/1/08</td>
<td>2nd Payment Due</td>
<td>75%</td>
</tr>
<tr>
<td>7/1/08</td>
<td>3rd Payment Due</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Valid locked due date = 1-28
10-Pay Plan

This exhibit provides an overview of the billing cycle and an explanation of the key features of the 10-Pay Plan.

The following scenario illustrates the relationship between policy effective date, policy issuance date, billing date, locked due date and available payments. This example is an illustration only.

Example: Renewal Business
Effective 1/1/08
Account must be paid in full by month 10 of policy term.
Total Payments = 10 (25 percent down payment and nine installments)

<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
<th>Explanation</th>
<th>Percent of Annual Premium to have been paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/1/07</td>
<td>Policy Issuance Date</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/12/07</td>
<td>Bill Issued</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/1/08</td>
<td>Policy Effective</td>
<td>To allow for customer payment (Approx. 20 day window)</td>
<td>25%</td>
</tr>
<tr>
<td>2/1/08</td>
<td>2nd Payment Due</td>
<td>One = locked due date*</td>
<td>33%</td>
</tr>
<tr>
<td>3/1/08</td>
<td>3rd Payment Due</td>
<td></td>
<td>42%</td>
</tr>
<tr>
<td>4/1/08</td>
<td>4th Payment Due</td>
<td></td>
<td>50%</td>
</tr>
<tr>
<td>5/1/08</td>
<td>5th Payment Due</td>
<td></td>
<td>58%</td>
</tr>
<tr>
<td>6/1/08</td>
<td>6th Payment Due</td>
<td></td>
<td>67%</td>
</tr>
<tr>
<td>7/1/08</td>
<td>7th Payment Due</td>
<td></td>
<td>75%</td>
</tr>
<tr>
<td>8/1/08</td>
<td>8th Payment Due</td>
<td></td>
<td>83%</td>
</tr>
<tr>
<td>9/1/08</td>
<td>9th Payment Due</td>
<td></td>
<td>92%</td>
</tr>
<tr>
<td>10/1/08</td>
<td>Last Payment</td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

*Valid locked due date = 1-28

10 Equal Pay Plan

This exhibit provides an overview of the billing cycle and an explanation of the key features of the 10 Equal Pay Plan.

The following scenario illustrates the relationship between policy effective date, policy issuance date, billing date, locked due date and available payments. This example is an illustration only.

Example: Renewal Business
Effective 1/1/08
Account must be paid in full by month 10 of policy term.
Total Payments = 10 (10 percent down payment and nine installments)

<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
<th>Explanation</th>
<th>Percent of Annual Premium to have been paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/1/07</td>
<td>Policy Issuance Date</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/12/07</td>
<td>Bill Issued</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/1/08</td>
<td>Policy Effective</td>
<td>To allow for customer payment (Approx. 20 day window)</td>
<td>10%</td>
</tr>
<tr>
<td>2/1/08</td>
<td>2nd Payment Due</td>
<td>One = locked due date*</td>
<td>20%</td>
</tr>
<tr>
<td>3/1/08</td>
<td>3rd Payment Due</td>
<td></td>
<td>30%</td>
</tr>
<tr>
<td>4/1/08</td>
<td>4th Payment Due</td>
<td></td>
<td>40%</td>
</tr>
<tr>
<td>5/1/08</td>
<td>5th Payment Due</td>
<td></td>
<td>50%</td>
</tr>
<tr>
<td>6/1/08</td>
<td>6th Payment Due</td>
<td></td>
<td>60%</td>
</tr>
<tr>
<td>7/1/08</td>
<td>7th Payment Due</td>
<td></td>
<td>70%</td>
</tr>
<tr>
<td>8/1/08</td>
<td>8th Payment Due</td>
<td></td>
<td>80%</td>
</tr>
<tr>
<td>9/1/08</td>
<td>9th Payment Due</td>
<td></td>
<td>90%</td>
</tr>
<tr>
<td>10/1/08</td>
<td>Last Payment</td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

*Valid locked due date = 1-28
e-Pay for Business Insurance
Enrolling is easy! To get started, have your most recent bill handy and log on to http://www.travelersepay.com. Click on the “Enroll now...click here” button.

or...
Go to http://www.travelers.com/servicecenter. Click on the “Enroll in e-Pay” button.

Understanding the e-Pay for Business Insurance Bill
1. Due Date
   The payment is due on the date shown in the upper right hand corner of the e-Pay for Business Insurance screen.
2. Pay Amount
   Insureds can choose to pay the minimum amount due, the total amount or something in between.
3. Account Billing Summary
   This summarizes each policy on the account and displays the total balance and minimum due for each policy.
4. Transactions Since Last Statement
   This section contains a summary of all billing transactions occurring on the account since the last bill.
5. Special Messages
   This section contains information or special messages pertinent to the account.

Note:
Fees & Charges
Some fees and charges may be incurred for installment billing or late payment activity.
Summary of Direct Bill Contacts

Travelers
300 Arboretum Place, Suite 610
Richmond, VA 23236
P.O. Box 26208
Richmond, VA 23260-6208

Business Insurance
Direct Billing Operations 800.252.2268

National Director
Michael Kronander Ext. 6401

Director
Wanda Braddy Ext. 6445

Direct Bill Customer Service 800.252.2268
Representatives available
Monday – Friday 7am – 8pm ET

Have your account or policy number ready

Agents:
- Press or say two (2) for Agent
- Press or say one (1) for Direct Bill VRU

Insureds:
- Press or say one (1)

This material does not amend, or otherwise affect, the provisions or coverages of any insurance policy or bond issued by Travelers. It is not a representation that coverage does or does not exist for any particular claim or loss under any such policy or bond. Coverage depends on the facts and circumstances involved in the claim or loss, all applicable policy or bond provisions, and any applicable law. Availability of coverage referenced in this document can depend on underwriting qualifications and state regulations.