Commercial Cancellations

For questions regarding Commercial Cancellations, please contact your supervisor or Accounting.

Accounting will follow the procedures and guidelines set by Management regarding cancellations.

*If advised by Management or Accounting that an account will be cancelled on a certain date, **the account will be cancelled unless [redacted] freezes the cancellation**.*

The bookkeeper has no authority to freeze a cancellation and will not freeze a cancellation unless [redacted] provides the authority. In the event that [redacted] is unavailable, the only individuals allowed to freeze a cancellation are [redacted].

Agency Bill Cancellations

1. **Non-Payment of Premium/Standard Market**
   - **1.a.** In the case of non-payment of premium, Accounting will issue a Notice of Cancellation.
   - **1.b.** Accounting will provide a copy of the Notice of Cancellation to the Account Manager who will forward to the Account Executive and will also indicate a notation of "cancellation pending" in the basic policy information.
   - **1.c.** Account Manager will suspense for payment one business day prior to the policy cancellation date.
   - **1.d.** If payment is received before the policy cancellation date, cancellation will be halted by Accounting. Accounting will issue a reinstatement and forward the reinstatement to the Account Manager. The Account Manager will make the proper activity note and remove the "cancellation pending" notation from the basic policy information.
   - **1.e.** If no payment is received by the cancellation date, Accounting will send a cancellation notice to the Company. Accounting will provide notice advising of cancellation to the Account Manager who will forward to the Account Executive. The Account Manager will change the "cancellation pending" notation to "cancelled" in the basic policy information.
   - **1.f.** The Account Manager will update certificates of insurance to reflect policies that have been cancelled, and will mail certificates to holders to notify which policies have been cancelled. The Account Manager will suspense for 30 days for cancellation from the Company.
   - **1.g.** Upon receipt of cancellation figures, the Account Manager will check the figures, invoice the same to the customer's account, and make the proper activity note.

1.h. Accounting and the Account Manager will handle earned premium through normal collection procedures.

1.i. The Account Manager will change the expiration date of the policy to the date of cancellation (this provides an accurate list for accounting purposes).

1.j. The Account Manager will mark the Customer as "inactive" in AMS when all policies for a given Customer are cancelled or non-renewed (this provides an accurate list for accounting purposes).

Agency Bill Cancellation (Surplus Lines)

1. **Non-Payment of Premium/Non-Standard Market (Surplus Lines)**

1.a. In the case of non-payment of premium, Accounting will request the Broker to issue a Notice of Cancellation for non-payment of premium and will also make the proper activity note. Once the Notice of Cancellation is received from the Broker, the Account Manager will indicate a notation of "cancellation pending" in the basic policy.

1.b. Accounting will provide a copy of the Notice of Cancellation to the Account Manager who will forward to the Account Executive.

1.c. Account Manager will suspense for payment one business day prior to the policy cancellation date.

1.d. If payment is received before the policy cancellation date, cancellation will be halted by Accounting. Accounting will request a reinstatement from the Broker, make the proper activity note. Once the reinstatement is received from the Broker, the Account Manager will remove the "cancellation pending" notation from the basic policy information.

1.e. If no payment is received by the cancellation date, the Account Manager will change the "cancellation pending" notation to "cancelled" in the basic policy information, will provide notice to the Account Executive advising them of the cancellation, and will make the proper activity note at this time.

1.f. The Account Manager will update the certificates of insurance to reflect the policy has been cancelled, and will mail to the Certificate Holders to inform them of cancellation.

1.g. The Account Manager will suspense for 30 days for cancellation confirmation from the Company.

1.h. Upon receipt of cancellation figures, the Account Manager will check the figures, invoice the same to the customer's account, and make the proper activity note.

1.i. Accounting and the Account Manager will handle earned premium through normal collection procedures.

1.j. The Account Manager will change the expiration date of the policy to the date of cancellation (this provides an accurate list for accounting purposes).

1.k. The Account Manager will mark the Customer as "inactive" in AMS when all policies for a given Customer are cancelled or non-renewed (this provides an accurate list for accounting purposes).

Direct Bill and/or Installment Note Company Cancellation

1. **Voluntary Cancellation**
   - 1.a. The Account Manager will receive Notice of Cancellation from the Company. At that time, the Account Manager will make an activity of the Notice of Cancellation to the appropriate policy number, including the cancellation date. The Account Manager will make the notation of "cancellation pending" in the basic policy information and suspense for cancellation confirmation from the Company.
   - 1.b. The Account Manager will suspense for 30 days for cancellation confirmation from the Company.
   - 1.c. Upon receipt of cancellation figures, the Account Manager will check the figures, invoice the same to the customer's account, and make the proper activity note.
   - 1.d. Accounting and the Account Manager will handle earned premium through normal collection procedures.
   - 1.e. The Account Manager will change the expiration date of the policy to the date of cancellation (this provides an accurate list for accounting purposes).
   - 1.f. The Account Manager will mark the Customer as "inactive" in AMS when all policies for a given Customer are cancelled or non-renewed (this provides an accurate list for accounting purposes).

IPFS, Bank Direct, and AFCO Intent to Cancel Notices are critical, and are Notices of Cancellation

2. **Involuntary Cancellation**
   - **1.l.** The Account Manager will send a copy of the notice of cancellation to the Account Executive, will indicate a notation of "cancellation pending" in the basic policy, and will make the proper activity note.
   - 2.a. No customer who receives a cancellation notices should be contacted, since it is impossible to contact all who receive cancellation notices; however, common sense should be exercised. For example, if a late notice or cancellation notice is received on an escrow billed policy, follow-up with the escrow company is warranted.
   - 2.b. The Account Manager will suspense for payment on the last business day before the cancellation date.
   - 2.c. On the cancellation date, the Account Manager will verify if payment has been received. If payment has been received by the Company, the Account

Manager will suspense for reinstatement and make the proper activity note. If payment has not been received, the Account Manager will verify cancellation.

IPFS, Bank Direct, and AFCO do not mail notices of payment receipt; therefore, create an activity with the online print-out showing that payment has been received.

Payments received by IPFS, Bank Direct, and AFCO after the cancellation date do not guarantee reinstatement by the insurance company.

The Account Manager must receive written notice from the insurance company or broker that the policy will not be cancelled. A suspense must be made on the account until the reinstatement is received.

- 2.d. If and when the reinstatement notice is received, the Account Manager will perform reinstatement process and remove the “cancellation pending” notation from the basic policy information.
- 2.e. If no payment was received by the company before the cancellation date, the Account manager will:
  - 2.e.i. Change the “cancellation pending” notation to “cancelled.”
  - 2.e.ii. Suspense for 30 days for receipt of cancellation figures.
  - 2.e.iii. Notify the Account Executive of cancellation.
  - 2.e.iv. Update the certificates of insurance to reflect the policy has been cancelled, and mail to the Certificate Holders to inform them of cancellation.
  - 2.e.v. Make the proper activity note.
- 2.f. Upon receipt of cancellation figures, the Account Manager will check the figures, invoice the same to the Customer’s account, and make the proper activity note.
- 2.g. Direct Bill Companies will handle earned premium through their own procedures.
- 2.h. The Account Manager will change the expiration date of the policy to the date of cancellation (this provides an accurate list for accounting purposes).
- 2.i. The Account Manager will mark the Customer as “inactive” in AMS when all policies for a given Customer are cancelled or non-renewed (this provides an accurate list for accounting purposes).