



MEMORANDUM

DATE: December 2, 2011

TO: All Agents

RE: Gross Premium for New Business, Renewal Business, and Endorsement Invoices

One of the next steps necessary to move BillingCenter into place effective January 2, 2012 is to begin asking that premiums be remitted to TWIA on a gross basis rather than net of commission.

To transition, TWIA is requesting that agents send in gross premium for new business, renewal business, and endorsement invoices. On January 2, 2012, TWIA will implement a new billing and commissions system, which will pay agents' commissions on a monthly basis via automated clearing house (ACH) transfer. Until that date, TWIA will refund agents' commissions from the gross premium payment by mailing agents a check. After January 2, 2012, agents will receive monthly commission statements by email and commission payments by ACH transfer. You will receive a separate memo requesting your checking account information in order to set up the electronic payment.

HOW THE ABOVE DESCRIPTION WORKS FOR RENEWAL AND NEW BUSINESS APPLICATIONS AND ENDORSEMENT INVOICES:

Until the old system is switched off on 12/31/2011:

- renewal notices generated 60 days in advance (policies with effective dates through 3/1/2012),
- new business applications,*
- and endorsement invoices,

will look like they always did, asking for the net premium to be remitted.

Please ignore the request for net premium and send in the gross premium on all of the above items.

* Agents using EFT for new business applications will see the EFT process continue to create ACH transactions on a net basis for the duration of December, as the one exception for gross payments.

NOTE: Upon implementation of BillingCenter in January, new or renewal applications under binder will not have commissions paid until A POLICY IS ISSUED OR A BINDER EXPIRES. Also, policyholders should be asked to make checks payable to TWIA. In cases where the check is made payable to the agent, the agent can endorse the back of the check and add a notation stating, "Pay to the order of TWIA" so that another party cannot cash the check.

TWIA appreciates your patience during the transition period beginning now and for the next several months. In the end, TWIA believes that the new billing and commissions system will make processing of premium payments and commissions simpler for all involved.

Please distribute this reference document to everyone in your office who might work with T.W.I.A.

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