

U.S. Auto Insurance Services, Inc.

Customer Checks Received by Agents and Returned by the Bank

Effective May, 15 2002

It is the procedure of U.S. Auto to reverse and refund to agents (by reversing the draft) any customer checks deposited by agents into their account, and returned by the bank according to the following rules. In most cases, the amount will be refunded in 2 or 3 business days.

The check must have been posted in the U.S. Auto system on the day that it was received by the agent. The check must have been deposited in the agent's bank account within one business day after the agent received it. "Post dated" checks, "held" checks, and "partial pay" checks held until after the posted date will not be refunded.

The **original returned check** (not a fax or copy) must be delivered to U.S. Auto within 30 days after the agent first received the check.

Checks that are received at U.S. Auto more than 30 days after the transaction may (or may not) be refunded at the discretion of U.S. Auto.

ALL RETURNED CHECKS:

Do not hold any returned check to try to receive payment from the customer. Immediately forward the original returned check to U. S. Auto. Do not give the returned check to the customer. Do not accept payment from a customer for a returned check.

DOWN PAYMENT If the check was for a down payment, the policy is rescinded. That is, it is as if no policy had been issued as agreed to on the U.S. Auto Application. The agent may contact the customer to suggest they come in to start a new policy, because there is no coverage under the old policy. Do not accept payment from the customer for the returned check.

MONTHLY PAYMENT If the check was for a monthly payment, the coverage for the period of time covered by that payment is reversed as if the payment had not been received. (In most cases, the policy will cancel unless it has been paid ahead.) The agent may contact the customer to come in and make a new payment if the policy is still in a reinstatement period. However, a reinstatement request must be signed by the insured for any new payments. If it is past the reinstatement period, a new policy must be written. Do not accept payment from the customer for the returned check.

ENDORSEMENT FEE OR DOWN PAYMENT If the payment is for an endorsement fee or down payment, the policy change will be reversed. The agent may invite the customer to come back in for a new policy change. If the policy change was to add a vehicle, they will not be able to add the vehicle again and will need to write a new policy for that vehicle. Do not accept payment from the customer for the returned check.

U.S. AUTO INSURANCE SERVICES RETURNED CHECK FORM

POLICY NUMBER _____

PRIMARY INSURED NAME _____

TRANSACTION DATE ____/____/____

Please check the reason for this request:

POLICY The bank returned as unpaid the check that the customer used to make the down payment for this policy. The coverage needs to be reversed which will rescind this policy.

MONTHLY PAYMENT The bank returned as unpaid the check that the customer used to make a monthly payment. The coverage from Receipt # _____ needs to be reversed. This may cause the policy to be cancelled.

ENDORSEMENT The bank returned as unpaid the check that the customer used to pay for Receipt # _____ for an endorsement. This endorsement will be reversed and any coverage provided by the endorsement will be reversed. This will not cause the entire policy to be canceled.

INSTRUCTIONS TO AGENT:

Please do not try to collect this check from the customer. Please attach the original returned check to this completed form and make sure that it is delivered to U.S. Auto at P.O. Box 802205 Dallas, TX 75380-2205 within 30 days after the transaction was recorded in the U.S. Auto system. Please then contact the customer to make an additional monthly payment or to write a new policy. This check must have been deposited on the next banking day after the transaction and then be returned by the bank.

MGA 112 SELLING AGENT NUMBER _ _ _ _ _

SELLING AGENT NAME (PRINTED) _____

AGENT PHONE _____ FAX _____

SELLING AGENT SIGNATURE _____

DATE ____/____/____