

Agency Billed Return Premiums

1.0 Purpose

To ensure timely return of premiums in compliance with HRS section 431:9A-123.5(b), which requires returning funds within 30 days from receipt date, unless otherwise directed in writing by person entitled to the funds.

2.0 Scope

To manage how all agency billed accounts are handled and processed.

3.0 Policy

1. Overpayment on finance contracts will be refunded to finance company as required by contract within 30 days from later of cash receipt from carrier/broker or invoice date.
2. Overpayment by client:
 - a) For accounts with no outstanding balances due Atlas or producer charge back, refunds will be processed to client within 30 days from later of cash receipt date from carrier/broker or invoice date.
 - b) For accounts with outstanding balances due, overpayment will be applied to invoices for the same policy and period. If invoices are for different policies and/or policy terms, authorization to apply will be sent to producer for client signature within two weeks from cash receipt date from carrier/broker. If a response is not received from producer /client by end of 4th week from cash receipt date, refund will be issued and mailed directly to client.
 - c) For accounts with outstanding producer charge back for different policies, authorization to apply and reimburse agent will be sent to producer for client signature within two weeks of cash receipt from carrier/broker. If response is not received from producer / client by end of 4th week from cash receipt date, refund will be issued and mailed directly to client.
3. Return premium credits from endorsement, cancellation or audit from carriers/ brokers:
 - a) Credits will be processed by the 30th day from later of cash receipt date from carrier/broker (not effective or invoice date) or invoice date. Exceptions must be approved by Executive V.P. or Controller.
 - b) Credits will be first refunded to the finance company to settle outstanding balances if policy is on finance contract.
 - c) For client with no outstanding balances or producer charge back, refund will be processed to clients.
 - o If individual client is deceased, a certificate of death must be provided and check will be issued to estate, or beneficiary (complete *Payee Code Request Form*).
 - o If corporate client is dissolved, client must present proof of ownership for checks to be issued to owner or designated individual/business (complete *Payee Code Request Form*).
 - e) For accounts with outstanding balances, see 2b) above.
 - f) For accounts with outstanding agent charge backs for different policies, see 2c) above.
4. All refund checks with copy of client ledgers are distributed to the respective producers to be sent to clients. Checks are stale dated after 4 months and must be returned to Accounting to void and re-issue.

5. If a credit invoice is voided or amended subsequent to refund check issued in accordance with above policy, producer will be responsible for collecting the resulting additional premium within 30 days from invoice date, or commission charge back will be processed after 30 days.

4.0 Exemptions

None

5.0 Effective Date

April 2nd, 2007

6.0 Policy Revisions

Atlas retains the right to make revisions and changes to this policy at any time.

7.0 Reviewed/Revised

March 10, 2025

