

State: New York **Filing Company:** Erie Insurance Company
TOI/Sub-TOI: 17.0 Other Liability-Occ/Claims Made/17.0020 Commercial Umbrella and Excess
Product Name: BCL 6-7-13 Premium Payment Plan
Project Name/Number: BCL 6-7-13 Premium Payment Plan/NYC1-0613

Filing at a Glance

Company: Erie Insurance Company
Product Name: BCL 6-7-13 Premium Payment Plan
State: New York
TOI: 17.0 Other Liability-Occ/Claims Made
Sub-TOI: 17.0020 Commercial Umbrella and Excess
Filing Type: Rule
Date Submitted: 02/25/2013
SERFF Tr Num: ERGP-128904856
SERFF Status: Closed-Acknowledged for informational purposes
State Tr Num: R2013000773
State Status: Closed
Co Tr Num: NYC1-0613

Effective Date: 06/07/2013
Requested (New):
Effective Date: 06/07/2013
Requested (Renewal):
Author(s): James Hellman, Teresa Wilczynski
Reviewer(s): Murray Hirschhorn (primary)
Disposition Date: 02/28/2013
Disposition Status: Acknowledged for informational purposes
Effective Date (New):
Effective Date (Renewal):

State: New York **Filing Company:** Erie Insurance Company
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General Information

Project Name: BCL 6-7-13 Premium Payment Plan
 Project Number: NYC1-0613
 Reference Organization:
 Reference Title:
 Filing Status Changed: 02/28/2013
 State Status Changed: 02/28/2013
 Created By: James Hellman
 Corresponding Filing Tracking Number:

Status of Filing in Domicile:
 Domicile Status Comments:
 Reference Number:
 Advisory Org. Circular:

 Deemer Date:
 Submitted By: James Hellman

Filing Description:

February 19, 2013

Mr. Benjamin M. Lawsky
 Superintendent of Insurance
 New York State Insurance Department
 25 Beaver Street
 New York, NY 10004-2319

RE: Filing of Revised Premium Payment Plan Manual
 ERIE INSURANCE COMPANY
 NAIC #26263
 Our File #NYC1-0613

Dear Mr. Lawsky:

Enclosed are updated Premium Payment Plan Rule pages for Business Catastrophe Liability that will be used with new and renewal policies on or after June 7, 2013.

Under Single Policy Billing Type Payment Options:

- The format was updated by adding a lead-in paragraph before Plan C. This paragraph indicates Plans C, D and E include an installment charge which applies to the second and subsequent installments to offset the cost of billing the deferred installments. This wording previously was included within each payment plan's description.
- ERExpress Pay (Plan G) is now available for Single Policy Billing only for all commercial lines of business identified in the opening paragraph. The reference to this payment option being available for Ultrasure For Landlords only was removed. The description of this plan was relocated to be included with those plans that do not include an installment charge. A down payment is no longer required but recommended.

Under Account Billing Type Payment Plan Options:

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- Text was added to the lead-in paragraph before Plan C to clarify the installment charge is to offset the cost of billing the deferred installments.
- Our 11-Month (Plan K) and 12-Month (Plan L) payment plans no longer require pre-approval and a \$15,000 minimum total premium; therefore, this wording has been eliminated from the rule pages.

Mr. Benjamin M. Lawsky
 Page 2
 February 19, 2013

We trust this filing meets with your approval. If you have any questions regarding this filing, please contact me at 1-800-458-0811, ext. 2873 or by e-mail at Teresa.Wilczynski@erieinsurance.com. Thank you.

Sincerely,

ERIE INSURANCE COMPANY

Teresa Wilczynski, AIS, CPIW
 Product Development Specialist
 Commercial Lines Division

Company and Contact

Filing Contact Information

Teresa Wilczynski, Product Development Specialist I Teresa.wilczynski@erieinsurance.com
 100 Erie Insurance Place 800-458-0811 [Phone] 2873 [Ext]
 Erie, PA 16530 814-870-4383 [FAX]

Filing Company Information

Erie Insurance Company	CoCode: 26263	State of Domicile:
100 Erie Insurance Place	Group Code: 213	Pennsylvania
Erie, PA 16530	Group Name:	Company Type:
(800) 458-0811 ext. [Phone]	FEIN Number: 25-1232960	Property/Casualty
		State ID Number:

Filing Fees

Fee Required? No
 Retaliatory? No
 Fee Explanation:

State: New York **Filing Company:** Erie Insurance Company
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State Specific

Speed-To-Market Field: enter code "98" for Speed-To-Market filings. Enter "0" for N/A.: 0

Terrorism Exclusion Field: enter code "46-01" for filings which includes forms, rates or rules for the Terrorism Exclusion. Enter "0" for N/A.: 0

Mold (Fungi, Bacteria, Virus) Exclusion Field: enter code "46-02" for filings which includes forms, rates or rules for the Mold Exclusion. Enter "0" for N/A.: 0

On the Rate/Rule Schedule Tab, the "Add Rate Data" button must be changed to "yes" for all rating rules and rate filings in order for the appropriate fields to be completed. Please enter "Yes" for filings with the rate data fields completed and "No" for all other filings.: no

SERFF Tracking #:

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Acknowledged for informational purposes	Murray Hirschhorn	02/28/2013	02/28/2013

State: New York**Filing Company:**

Erie Insurance Company

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Disposition

Disposition Date: 02/28/2013

Effective Date (New):

Effective Date (Renewal):

Status: Acknowledged for informational purposes

Comment: This has reference to the captioned filing.

Please be advised that the Department views late payment fees, reinstatement fees and premium installment fees to be properly classified as service fees that are outside of the rating structure, and which do not have to be filed with the Department or included as part of the manual rates.

Accordingly, we are accepting the premium payment plan for informational purposes only.

Very truly yours,

Murray Hirschhorn

Senior Insurance Examiner

(212) 480-7648

Murray.Hirschhorn@dfs.ny.gov

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Commercial Umbrella/Excess Insurance Review Standards Checklist		Yes
Supporting Document	Explanatory Memorandum		Yes
Supporting Document	Rates and/or Rating Plans		Yes
Supporting Document	Audit Provisions/premium Audit Rules		Yes
Supporting Document	Minimum Premium/Return Premium and Minimum Earned Premium Rules		Yes
Supporting Document	Side-By-Side Comparisons		Yes

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Schedule	Schedule Item	Schedule Item Status	Public Access
Rate	Premium Pay Plans		Yes

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Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1		Premium Pay Plans	1-3	Replacement		NYCLPY04.pdf NYCLPY04 mark up.pdf

NEW YORK PREMIUM PAYMENT PLANS

The following applies to Business Catastrophe Liability, Commercial/Garage Auto, Commercial Fire, Commercial Crime, Commercial General Liability, Commercial Inland Marine, Fivestar Contractors', Ultraflex, and Ultrasure for Landlords.

Policy Service Fees – Applicable To All Payment Plans

- Returned Payment Fee: For payments returned unpaid - \$25.00
- Late Fee: Where a cancellation notice is issued due to non-payment - \$10.00
- Reinstatement Fee: Where policy is reinstated with a lapse in coverage following cancellation for non-payment - \$25.00

At the time of application, available payment plan options will be determined by the applicant's selection of a Billing Type. The choices offered when Single Policy is chosen as the Billing Type will differ from the options available when Account is preferred.

Single Policy Billing Type Payment Plan Options

If Single Policy is chosen, the following payment plan options will be offered. The pay plan descriptions are based on the presumption that the policy was issued or renewed in time to meet the billing deadline for the first installment. If issued as new business or renewed later, the first due date will be delayed by one month. If a second installment is due at that point in the policy period, the amount billed due will represent the first and second installment amounts.

Plan A

The entire premium is due in one installment on the policy effective date. No installment charge applies.

Plan B

The premium will be split into three consecutive monthly installments. The first third will be due on the policy effective date. The remaining premium will be due in two additional consecutive monthly installments. No installment charge applies.

ERIEExpressPay (Plan G)

The premium will be split into twelve consecutive monthly installments that will be automatically debited from the Policyholder's checking or savings account. (For new business, a down payment is recommended.) The Policyholder must sign an Authorization Form for the transfer of funds. An ERIExpressPay Notice will be sent to the policyholder, which indicates the debit date and the amount of the next automatic debit transaction. A new ERIExpressPay Notice will be sent if the amount of the debit varies by more than \$2.00 due to a change in premium. No installment charge applies. The direct debit payment method is not available for other payment plans.

FOR THE FOLLOWING PLANS:

For a policy on one of the following payment plans, an installment charge of \$5.00 will apply to the second and each subsequent installment, to offset the cost of billing the deferred installments.

Plan C

The premium will be billed in three installments. One half of the premium will be split into two consecutive monthly installments, the first of which is due on the policy effective date. The second half of the premium will be due six months from the policy effective date.

Plan D

The premium will be split into four installments. The first is due on the policy effective date, and the remaining will be due in three month intervals. A \$5 installment charge will be applied to the second, third and fourth installments to offset the cost of billing the deferred installments.

Monthly (Plan E)

The premium will be split into nine consecutive monthly installments. The first is due on the policy effective date, and the remaining will be due in eight consecutive monthly installments.

Account Billing Type Payment Plan Options

If Account is chosen, the following payment plan options will be offered. The pay plan descriptions are based on the presumption that the policy was issued or renewed in time to meet the billing deadline for the first installment. If issued or renewed later, the first due date will be delayed by one month. If a second installment is due at that point in the policy period, the amount billed due will represent the first and second installment amounts. All policies on the account will be reviewed on a monthly basis and the bill mailed will reflect the total amount owed for all policies that have an installment currently due. The day of the month on which the installment is due is determined by the effective day of the first policy added to the account. The insured is permitted to request an alternative due date.

- Acceptable underwriting and payment records are required.
- Escrowed policies are not eligible to be billed on an account.
- Multi-year policies or those marked to bill to a third party (e.g., a mortgagee) are not eligible.

Plan A

The entire premium is due in one installment on the policy effective date.

Plan B

The premium will be split into three consecutive monthly installments. The first third will be due on the policy effective date. The remaining premium will be due in two additional consecutive monthly installments.

FOR THE FOLLOWING PLANS:

For a policy on one of the following payment plans, an installment charge of \$5.00 will apply to installments on the account when the amount billed incorporates premium owed for the second and each subsequent installment, to offset the cost of billing the deferred installments.

Plan C

The premium will be billed in three installments. One half of the premium will be split into two consecutive monthly installments, the first of which is due on the policy effective date. The second half of the premium will be due six months from the policy effective date.

Plan D

The premium will be split into four installments. The first is due on the policy effective date, and the remaining will be due in three month intervals.

Monthly (Plan E)

The premium will be split into nine consecutive monthly installments. The first is due on the policy effective date, and the remaining will be due in eight consecutive monthly installments.

Semi-Annual (Plan H)

The premium will be split into two installments. One half of the premium will be due on the policy effective date. The remaining half will be due six months from the policy effective date.

10-Month (Plan J)

The premium will be split into 10 installments. The first is due on the policy effective date, and the remaining will be due in nine consecutive monthly installments.

11-Month (Plan K)

The premium will be split into 11 installments. The first is due on the policy effective date, and the remaining will be due in ten consecutive monthly installments.

12-Month (Plan L)

The premium will be split into 12 installments. The first is due on the policy effective date, and the remaining will be due in eleven consecutive monthly installments.

NEW YORK PREMIUM PAYMENT PLANS

The following applies to Business Catastrophe Liability, Commercial/Garage Auto, Commercial Fire, Commercial Crime, Commercial General Liability, Commercial Inland Marine, Fivestar Contractors', Ultraflex, ~~Ultrapak Business, and~~ Ultrasure for Landlords, Ultrasure for Property Owners and Workers' Compensation.

Policy Service Fees – Applicable To All Payment Plans

- Returned Payment Fee: For payments returned unpaid - \$25.00
- Late Fee: Where a cancellation notice is issued due to non-payment - \$10.00
- Reinstatement Fee: Where policy is reinstated with a lapse in coverage following cancellation for non-payment - \$25.00

At the time of application, available payment plan options will be determined by the applicant's selection of a Billing Type. The choices offered when Single Policy is chosen as the Billing Type will differ from the options available when Account is preferred.

Single Policy Billing Type Payment Plan Options

If Single Policy is chosen, the following payment plan options will be offered. The pay plan descriptions are based on the presumption that the policy was issued or renewed in time to meet the billing deadline for the first installment. If issued as new business or renewed later, the first due date will be delayed by one month. If a second installment is due at that point in the policy period, the amount billed due will represent the first and second installment amounts.

Plan A

The entire premium is due in one installment on the policy effective date. No installment charge applies.

Plan B

The premium will be split into three consecutive monthly installments. The first third will be due on the policy effective date. The remaining premium will be due in two additional consecutive monthly installments. No installment charge applies.

ERIEExpressPay (Plan G) ~~(this option is available for Ultrasure For Landlords Only)~~

The premium will be split into twelve consecutive monthly installments that will be automatically debited from the Policyholder's checking or savings account. (For new business, a down payment ~~equal to the first month's installment~~ is recommended required.) The Policyholder must sign an Authorization Form for the transfer of funds. An ERIExpressPay Notice will be sent to the policyholder, which indicates the debit date and the amount of the next automatic debit transaction. A new ERIExpressPay Notice will be sent if the amount of the debit varies by more than \$2.00 due to a change in premium. ~~The Policyholder must sign an Authorization Form for the transfer of funds.~~ No installment fee applies. The direct debit payment method is not available for other payment plans.

FOR THE FOLLOWING PLANS:

For a policy on one of the following payment plans, an installment charge of \$5.00 will apply to the second and each subsequent installment, to offset the cost of billing the deferred installments.

Plan C

The premium will be billed in three installments. One half of the premium will be split into two consecutive monthly installments, the first of which is due on the policy effective date. The second half of the premium will be due six months from the policy effective date. ~~A \$5 installment charge will be applied to the second and third installments to offset the cost of billing the deferred installments.~~

Plan D

The premium will be split into four installments. The first is due on the policy effective date, and the remaining will be due in three month intervals. ~~A \$5 installment charge will be applied to the second, third and fourth installments to offset the cost of billing the deferred installments.~~

Monthly (Plan E)

The premium will be split into nine consecutive monthly installments. The first is due on the policy effective date, and the remaining will be due in eight consecutive monthly installments. ~~A \$5 installment charge will be applied to the second through the ninth installments to offset the cost of billing the deferred installments.~~

Account Billing Type Payment Plan Options

If Account is chosen, the following payment plan options will be offered. The pay plan descriptions are based on the presumption that the policy was issued or renewed in time to meet the billing deadline for the first installment. If issued or renewed later, the first due date will be delayed by one month. If a second installment is due at that point in the policy period, the amount billed due will represent the first and second installment amounts. All policies on the account will be reviewed on a monthly basis and the bill mailed will reflect the total amount owed for all policies that have an installment currently due. The day of the month on which the installment is due is determined by the effective day of the first policy added to the account. The insured is permitted to request an alternative due date.

- Acceptable underwriting and payment records are required.
- Escrowed policies are not eligible to be billed on an account.
- Multi-year policies or those marked to bill to a third party (e.g., a mortgagee) are not eligible.

Plan A

The entire premium is due in one installment on the policy effective date.

Plan B

The premium will be split into three consecutive monthly installments. The first third will be due on the policy effective date. The remaining premium will be due in two additional consecutive monthly installments.

FOR THE FOLLOWING PLANS:

For a policy on one of the following payment plans, An installment charge of \$5.00 will apply to installments on the account when the amount billed incorporates premium owed for the second and each subsequent installments, to offset the cost of billing the deferred installments. ~~due for a policy on one of the following payment plans.~~

Plan C

The premium will be billed in three installments. One half of the premium will be split into two consecutive monthly installments, the first of which is due on the policy effective date. The second half of the premium will be due six months from the policy effective date.

Plan D

The premium will be split into four installments. The first is due on the policy effective date, and the remaining will be due in three month intervals.

Monthly (Plan E)

The premium will be split into nine consecutive monthly installments. The first is due on the policy effective date, and the remaining will be due in eight consecutive monthly installments.

Semi-Annual (Plan H)

The premium will be split into two installments. One half of the premium will be due on the policy effective date. The remaining half will be due six months from the policy effective date.

10-Month (Plan J)

The premium will be split into 10 installments. The first is due on the policy effective date, and the remaining will be due in nine consecutive monthly installments.

Plans that require pre-approval

~~Eleven and twelve month payment plans are available to qualifying policyholders. The following conditions must be met to establish eligibility for these plans:~~

- ~~• **Pre-approval** — You must obtain **prior approval** from the Billing Section of the Product and Policy Services Division before offering the **11 month or 12 month payment plans** to allow time for a review of past history.~~
- ~~• \$15,000 minimum total premium.~~
- ~~• Financial stability as determined by prior record.~~

11-Month (Plan K)

The premium will be split into 11 installments. The first is due on the policy effective date, and the remaining will be due in ten consecutive monthly installments.

12-Month (Plan L)

The premium will be split into 12 installments. The first is due on the policy effective date, and the remaining will be due in eleven consecutive monthly installments.

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Product Name: BCL 6-7-13 Premium Payment Plan

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Supporting Document Schedules

		Item Status:	Status Date:
Bypassed - Item:	Commercial Umbrella/Excess Insurance Review Standards Checklist		
Bypass Reason:	na		

		Item Status:	Status Date:
Bypassed - Item:	Explanatory Memorandum		
Bypass Reason:	na		

		Item Status:	Status Date:
Bypassed - Item:	Rates and/or Rating Plans		
Bypass Reason:	na		

		Item Status:	Status Date:
Bypassed - Item:	Audit Provisions/premium Audit Rules		
Bypass Reason:	na		

		Item Status:	Status Date:
Bypassed - Item:	Minimum Premium/Return Premium and Minimum Earned Premium Rules		
Bypass Reason:	na		

		Item Status:	Status Date:
Bypassed - Item:	Side-By-Side Comparisons		
Bypass Reason:	na		