



GRAIN INSURANCE AND GUARANTEE COMPANY

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PRE-AUTHORIZED PREMIUM PAYMENT PLAN

WHAT IS IT?

P.A.C. is a pre-authorized premium payment plan. This plan will allow payment of premiums in monthly installments by automatic deduction from your bank account.

WHAT ARE THE BENEFITS?

- It eliminates the large single **annual payment**.
- Monthly installments make it easier to budget.
- Eliminates the bother of writing cheques and you save on the postage.
- No worries about postal delays interrupting your insurance coverage.

ENROLLMENT IN THE P.A.C. PLAN

Banking Requirement

The policyholder or one of the policyholders must have a valid account with a chartered bank, trust company or a deposit-taking institution such as a Credit Union.

TIMING OF ENROLLMENT

Enrollment is allowed only on inception date of new policies or on renewal date of existing policies.

SERVICE CHARGE

A 3% service charge applies to all policy premium that is written on P.A.C.. On credit endorsements, a credit of 3% will be returned.

The service charge will be added into the monthly payment. However if the policy is cancelled, the service charge is non-refundable.

MONTHLY PAYMENT & CALCULATION

- (1) Policy Premium + 3% Service Charge = Total P.A.C. Premium
- (2) Total P.A.C. Premium ÷ 12 = Monthly Payment
- (3) Monthly Payment x 2 = Down Payment

TIMING OF WITHDRAWAL FROM INSURED'S ACCOUNT

Premium will be withdrawn on the 1st day of the month.

BROKERS' PROCEDURES

The Broker obtains the following from the Insured:

- The down payment;
 - A completed and signed authorization form;
 - A sample cheque marked "VOID";
- the Broker forwards the above items to Grain Insurance with the application;

Note: For existing policies transferred to P.A.C., it is imperative that Grain receive the above 15 days prior to the effective date of the renewal.

CHANGE IN BANK ACCOUNT

If the Insured changes their bank account, we require the following:

- Another completed and signed authorization form with the updated information;
- A sample cheque marked "VOID";
- Reference each policy number to which the change in bank information is applicable.

This information should be sent directly to the attention of our Accounting Department to prevent any delay in processing the new information.

BROKERS' COMMISSION

The regular commission rates apply.

Commission will be credited to the Brokers' account in full upon enrollment to P.A.C.

On cancellation of a P.A.C. policy, commission will be calculated and reversed on the return premium.

OTHER RULES

Endorsements

ENDORSEMENTS WITH RETURN PREMIUM:

- Brokers' commission on the return premium will be reversed.
- Return premium will be spread over remaining term.

ENDORSEMENTS WITH ADDITIONAL PREMIUM

- Brokers' commission will be calculated and credited to Brokers' account.

- Additional premium will be spread over remaining term.

RETURNED ITEMS/CANCELLATIONS

- Items returned by the bank for any reason will be subject to a \$25.00 service charge;
- A second violation within the policy term may lead to cancellation and any outstanding amount will be withdrawn from the Insured's account.

PRE-AUTHORIZED PAYMENT AUTHORIZATION FORM

1. NAME _____
ADDRESS _____
CITY/TOWN _____ PROVINCE _____ POSTAL CODE _____

2. POLICY NUMBER _____ AGENT/BROKER _____ EFFECTIVE DATE _____

3. BANK/FINANCIAL INSTITUTION
ADDRESS _____
CITY/TOWN _____ PROVINCE _____ POSTAL CODE _____
BRANCH _____ TYPE OF ACCOUNT PERSONAL CHEQUING
ACCOUNT NUMBER _____ SAVINGS (Chequing Facilities)
 CURRENT

4. *I/We hereby authorize the above named bank/financial institution to debit my/our account each month for all payments payable to the Grain Insurance and Guarantee Company in payment of my/our insurance premiums which will be collected monthly in advance. The bank's/financial institution's treatment of each payment will be the same as if I/We had personally issued a cheque authorizing them to pay as indicated and to debit the amount specified to my/our account.
*Any delivery of this authorization to Grain Insurance and Guarantee Company constitutes delivery by me/us.
*This authorization may be cancelled at any time by written notice by me/us.
*I/We will ensure that funds are available on the 1st of each month to cover the amount of withdrawal as specified to me/us by Grain Insurance and Guarantee Company.

DATE: _____ SIGNATURE(S) _____

(For a joint account, all depositors must sign if more than one signature is required on cheques issued against the account.)

PLEASE ATTACH A SPECIMEN OF YOUR CHEQUE OVERLEAF.