

California FAIR Plan Association

3435 Wilshire Blvd Suite 1200, Los Angeles, CA 90010

Producers: 800-252-0089

Website: <http://www.cfpnet.com>

Date: June 1, 2010

To: FAIR Plan Producers

From: California FAIR Plan Association

Re: Online Payments

Effective: Immediately

Effective June 1, 2010, we will accept electronic checking or savings account payments from producers, policyholders, or third parties for new business quotations, mid-term endorsements, and renewal offers for all policy types via the button located on the home page of our website (www.cfpnet.com)

We are utilizing an Automated Clearing House (ACH) as an intermediary before posted payments reach our bank. Although payments will be deemed as received once the transaction is submitted, producers can not bind coverage or commit the FAIR Plan in any way.

The following represents the key features of this system:

- Payments can only be accepted from valid checking/savings accounts. Debit card or credit card transactions will not be accepted.
- Payments will only be accepted for the **exact amounts noted on the payment screen**. Payments for new business quotes or renewals can only be for **1)** payments in full; or **2)** the installment amount indicated. The three-installment plan for premiums of \$251 or more continues to apply, and the existing \$2.50 service charge will be applied to each installment.
- Both the bank routing number and bank account number must be entered. Please ensure that sufficient funds are in the designated account, as monies will be debited immediately once the transaction is submitted.
- Policy payment transactions will be accepted from anyone on behalf of the named insured provided they have the correct zip code of the insured property address. No other policy data is needed.
- The system will keep customer transaction data confidential. FAIR Plan or the ACH does not retain routing or account numbers.
- Existing underwriting guidelines relative to effective dates of coverage will apply.
- Payment is deemed received at the time you click on the "Submit" button. Once the transaction is confirmed, you will be given a confirmation number.
- **Only one transaction per policy will be accepted per day**. The system can be accessed 24-hours a day, however, payments received after 4:15 p.m. on business days will be posted on the following business day. Payments entered on the weekend or holidays will be posted on the next business day.
- For pending new business escrow closings, producers or policyholders with valid quotations will still need to visit or contact the FAIR Plan office in order for the new business policy to be issued.
- We reserve the right to amend your agreement for utilizing this system without cause or prior notice.

Please forward this notice to everyone in your office, and advise your clients of this new payment system.