

**LIBERTY MUTUAL PERSONAL INSURANCE COMPANY
PRIVATE PASSENGER AUTOMOBILE
VARIABLE PAYMENT PLAN**

Payment Method*	# Installments including Down Payment**	Minimum Down Payment Percentage*
Direct Bill Annual	1	100.0%
Direct Bill Semi-Annual	2	50.0%
Direct Bill Quarterly	4	25.0%
Direct Bill Bi-Monthly	5	20.0%
Direct Bill Monthly	11	12.0%
EFT Monthly	12	8.33%
Recurring Credit Card Monthly	12	8.33%
Recurring Credit Card Monthly	12	15.0%
Recurring Credit Card Monthly	12	25.0%

**Availability may vary. Also note that If a Liberty Mutual customer has been in default in the payment of any premium for automobile insurance during the preceding 24 months, the entire policy premium charges may be payable in advance prior to reinstatement.*

***Customers on EFT and RCC also have the option to pay quarterly, semi-annually, or in full.*

Installment Fee:

\$7 for customers not on EFT

\$2 for customers on EFT

Related Fees:

\$25 returned check fee or insufficient fund fee (After 2 consecutive insufficient fund EFT payments, policy switches to direct bill)

\$25 cancellation fee

\$15 late payment fee

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Installment Fee:

\$67 for customers not on EFT

\$2 for customers on EFT

Related Fees:

\$25 returned check fee or insufficient fund fee (After 2 consecutive insufficient fund EFT payments, policy switches to direct bill)

\$25 cancellation fee

\$15 late payment fee

Application of Related Fees:

~~After 2 consecutive insufficient fund EFT payments, policy switches to direct bill~~

**Liberty Mutual Insurance
Personal Lines
Installment Fee Support – Direct Bill**

The support to raise the Direct Bill (DB) installment fee is based on Liberty Mutual countrywide personal insurance accounting data. The types of expenses incurred include:

- Cost associated with financial operations and service operations
- Mailing and processing costs for additional statements
- Credit Card transaction & Interchange fees
- Bank fees and vendor fees

Based on the total number of DB fee instances, we estimate that the additional cost for each fee instance is \$14.23. We are proposing to increase the DB fee to \$7.00. The calculation is provided below:

Liberty DB 2020		
Income		
Actual Installment Fee Income	\$	26,062,067
Total	\$	26,062,067
Expense		
Charge-Off	\$	73,430,753
Operations Support (FIN OPS)	\$	4,576,003
Credit Card Fees	\$	22,815,271
Finance IT	\$	2,077,459
PP&S	\$	965,968
Bank Fees	\$	915,943
Personel	\$	2,583,675
Collections	\$	372,891
Vendor Fees	\$	979,647
Total	\$	108,717,610
Excess of Expense over Income	\$	82,655,544
DB Instances		5,809,218
Estimated Additional Fee/Instance	\$	14.23
Proposed Charge per DB Instance	\$	7.00

**Liberty Mutual Insurance
Personal Lines
Installment Fee Support – Recurring Credit Card**

The support to raise the Recurring Credit Card (RCC) installment fee is based on Liberty Mutual country wide personal insurance accounting data. The types of expenses incurred include:

- Cost associated with financial operations and service operations
- Mailing and processing costs for additional statements
- Credit Card transaction & Interchange fees
- Bank fees and vendor fees

Based on the total number of RCC fee instances, we estimate that the additional cost for each fee instance is \$4.42. We are proposing to increase the RCC fee to \$7.00. The calculation is provided below:

Liberty RCC 2020		
Income		
Actual Installment Fee Income	\$	13,564,333
Total	\$	13,564,333
Expense		
Charge-Off	\$	9,361,436
Operations Support (FIN OPS)	\$	1,459,062
Credit Card Fees	\$	12,553,675
Finance IT	\$	662,399
PP&S	\$	308,000
Bank Fees	\$	292,049
Personel	\$	823,807
Collections	\$	118,897
Vendor Fees	\$	312,361
Total	\$	25,891,687
Excess of Expense over Income	\$	12,327,353
RCC Instances		2,789,625
Estimated Additional Fee/Instance	\$	4.42
Proposed Charge per RCC Instance	\$	7.00

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Installment Fee:

\$7 for customers not on EFT

\$2 for customers on EFT

Related Fees:

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\$25 cancellation fee

\$15 late payment fee

Application of Related Fees:

After 2 consecutive insufficient fund EFT payments, policy switches to direct bill

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