

## ACH: BANK DRAFT RULES

IMFI will process monthly debits (ACH) for routine premium payments. You can choose to draft premiums on the 1<sup>st</sup>-28<sup>th</sup> of each month. If the draft date you selected falls on a holiday or weekend, your draft will be processed on the next business day

### Setting up an Existing policy on ACH:

1. Bank draft authorization forms should be printed from your AgenTree account. Forms are found at your Home Page on Static Forms. You should visit your AgenTree account often (at least once per month) to assure you are using the most current and up-to-date forms. Forms can be completed by the agent, insured or account holder. **HOWEVER, the account holder MUST sign the authorization form.**
2. Attach a voided check to the authorization form. This is preferred because it allows us to confirm the routing and bank account number and to match the name on the account to the signature on the authorization form.
3. Bank Routing Number: The bank routing number (also referred to as-ABA Check Routing Number) is the first nine (9) digits on the bottom left side of your check. Routing numbers are always nine (9) digits. Do not use information on a deposit slip. Information on a deposit slip does not always include the correct routing number. If an account holder is using a savings account, they should contact their bank for the correct routing number.
4. Bank Account Number: The account number is found at the bottom of the account holder's check. The account number does not always follow the routing number. Don't use information on a deposit slip. Information on a deposit slip is not always correct. If an account holder is using a savings account, they should contact their bank to verify their account number.

Example

The image shows a sample voided check from Mahopac National Bank. At the top right, the number '1001' is printed. Below it, the date '20' is visible. The 'PAY TO THE ORDER OF' field is blank, followed by a dollar sign '\$' and the word 'DOLLARS'. The bank's logo, 'MAHOPAC NATIONAL BANK', is in the center. Below the logo, the word 'FOR' is printed. At the bottom, there are three callout boxes with arrows pointing to specific numbers on the check: '021911398' (labeled 'ABA Check Routing Number'), '055-12345-6' (labeled 'Account Number'), and '1001' (labeled 'Check Number').

5. Setting up the monthly draft date is to be based on the policy inception date. ***You are not permitted to choose a draft date that is more than ten (10) days past the inception day.*** For example, if a policy has an inception date of 8/03/2020 the draft date range must be between the 3<sup>rd</sup>- 13<sup>th</sup> of the month. Draft dates outside of this ten-day window will cause the policy to fall within its grace period for a period of ten days or more and should be avoided. If the draft date you selected falls on a holiday or weekend, your draft will be processed on the next business day.

6. Email/Fax or Mail authorization form and voided check to:

**Email:** to: [wmaybin@imfco.net](mailto:wmaybin@imfco.net) and cc: [lkochoa@imfco.net](mailto:lkochoa@imfco.net),  
or  
to: [bzellman@imfco.net](mailto:bzellman@imfco.net) and cc: [cpatrick-thomas@imfco.net](mailto:cpatrick-thomas@imfco.net)

**Fax:** 877-509-5980 (toll free)

**Mail to:** Independent Mutual Fire Insurance

4 North Park Drive  
Suite 402  
Hunt Valley, MD 21030

7. For the first draft to start, a completed and signed authorization form must be received in our Home Office a minimum of **three (3) business** days prior to the draft date. Weekends and holidays are not considered business days.
8. The policy also must be paid current. IMFIC does not draft on lapsed policies. Policies paid in advance will continue to be drafted each month, on the scheduled draft date, unless we are notified, and a request is made to stop the draft for a specific month. Requests to stop a draft on a policy paid in advance should be made by the insured or account holder.
9. ACH payments that are returned NSF will be redrafted around 15 days after the regularly scheduled draft date. Redrafts will be scheduled on the 5<sup>th</sup>, 10<sup>th</sup>, 15<sup>th</sup>, 20<sup>th</sup>, 25<sup>th</sup>, 28<sup>th</sup>

### Stopping and Making Changes to ACH

In order to stop a policy from drafting or to change a draft date, Home Office must be notified a **minimum of three (3) business days** prior to the policy's scheduled draft date. Weekends and holidays are not considered business days. Notification can be made via email or by fax. *No changes will be made over the phone or where a message has been left by voicemail.*

**Email:** to: [wmaybin@imfco.net](mailto:wmaybin@imfco.net) and cc: [lkochoa@imfco.net](mailto:lkochoa@imfco.net),  
Or  
to: [bzellman@imfco.net](mailto:bzellman@imfco.net) and cc: [cpatrick-thomas@imfco.net](mailto:cpatrick-thomas@imfco.net)

**Fax:** 877-509-5980 (toll free)

### NSF Reimbursement

Independent Mutual will continue the practice of reimbursing an NSF fee where the fee charged was a result of an error we made. **IMFI will not reimburse NSF fees due to agent error.** The agreement signed by the insured requires 30 days advance notice of change or cancellation. We

are trying to be as fair as possible to both the insured and agent when we request a minimum of three business days notice.

### **Repeat ACH Returns**

A policyholder with multiple ACH returns (3 or more) will be removed from being authorized to have their payments processed as an ACH. Once the policyholder(s) can show consistency on their payment's history, we will reevaluate and consider putting them back on ACH.

### **ENDORSEMENTS**

- *Drafts will not be processed on any endorsement.* Check or money order, made payable to Independent Mutual, must be collected and remitted by the agent for the new endorsement premium. Once the endorsement has been processed the policy will continue with the scheduled monthly draft but at the new monthly premium amount.

### **Setting up ACH for Initial Draft/New Policies**

- Follow the same procedures as 1-7 above. Please note that the first draft will occur on the scheduled draft date. If an insured elect to have their premium drafted on the 10<sup>th</sup> of the month, the initial draft will occur on the 10<sup>th</sup> of the month. Initial drafts follow the same draft day rules, i.e. the 1<sup>st</sup>-28<sup>th</sup>
- Where the initial premium for a new policy is to be paid by bank draft, the date of the application should match the date of the initial draft. Future drafts should occur on the same day each month.
- *No Redrafts on returned transactions will be processed on initial drafts.*
- *If the draft is returned on the initial draft, the agent will have to go collect a check or money order made payable to Independent Mutual Fire Insurance and send into the home office for processing.*