

# **ERIE AND NIAGARA INSURANCE ASSOCIATION**

## **AGENT OF RECORD LETTERS / CHANGE OF AGENT PROCEDURES**

In situations where we are involved in a Broker of Record change, the following procedures will be used to facilitate better communication and ease of processing for the insured, agencies and company.

Change of Agent can be processed either via a mid-term change or cancel / rewrite. Please be guided by the following procedures:

### **Mid-Term Change Procedure**

- a. NEW AGENT should submit an ACORD 36 (Agent / Broker of Record Change) or letter with equivalent wording (a/k/a BOR letter), signed by the insured.
- b. Change of Agent can be processed either mid-term or upon renewal.
- c. No backdating of coverage effective date is allowed.
- d. The Company will send a memo to the CURRENT AGENT advising it has received the request to endorse the current policy reflecting the NEW AGENT. Included in the memo will be a copy of the request for their file. The transaction will be processed after five (5) business days if we do not receive a countermanding letter.
- e. NEW AGENT will receive commission for premium paid on the policy from the effective date of change and subsequent. Commission paid on the current policy term to the prior agent will remain with them.
- f. Any losses on the policy from the effective date of change and subsequent will be assigned to the NEW AGENT.
- g. If the policy to be changed is approaching the renewal date, please note that any commission already paid to the current agent of record on premium received, will remain with them. This includes commission on premium paid for the renewal term. A cancel / rewrite may be a better option in these instances. Refer to the procedures below if a cancel / rewrite is desired.
- h. After the policy has been endorsed to reflect the new Agent of Record, it will be the responsibility of the NEW AGENT to review with the policyholder to ensure adequate coverage and limits are in place.

### **Cancel / Rewrite Procedure**

- a. A transfer of business from one agent to another must be accomplished by the NEW AGENT sending completed applications, a signed Lost Policy Release and/or original policy to the Company.
- b. The applications must include a current effective date (no backdating of coverage allowed).
- c. If policy is currently enrolled in AutoPay, a new Enrollment Form is required
- d. Once the NEW AGENT has complied with the above requirements, the Company will send a memo to the CURRENT AGENT advising it has received the request to cancel the current policy. Included in the memo will be a copy of the request for their file. The transaction will be processed after five (5) business days if we do not receive a countermanding letter.

Effective 1/7/19