

Coverage Solutions Offered Through:



Coverage Underwritten By:



**November 19, 2024**

## **Important Update: Direct Bill Transition and Producer Registration Requirements**

Dear Valued Producer Partner,

We are writing to inform you of important changes to our billing and tax filing processes that will impact all wholesale and retail producers working with **Prime Insurance Company** and **Evolution Insurance Brokers, LC d/b/a XINSURANCE** (“XINSURANCE”).

### **What’s Changing?**

For policies effective on or after **January 1, 2025**, Prime Insurance Company will transition to a **Direct Bill process**. With this change, XINSURANCE will be responsible for filing and paying all Excess & Surplus Lines (E&S) tax.

### **Producer Agreement Requirement**

To enable XINSURANCE to file and pay E&S tax, **it is necessary for all wholesale and retail producers to be contracted with XINSURANCE**.

### **Key Points to Note:**

- **Direct Billing to Insureds:** All premiums will be billed to insureds, who will remit payments directly to XINSURANCE. Producer will no longer be responsible for collecting premium; however, a copy of the invoice showing the commission amount will be provided.
- **E&S Tax Filing and Payment:** Once registered under XINSURANCE, we will handle the filing and payment of all required E&S taxes, relieving you of this administrative responsibility.
- **Existing Policies:** Existing policies, including any future endorsements, will not be affected until renewal. At that time, the Direct Bill process and E&S tax filing will apply.
- **Commissions:** Commissions will be paid monthly based on premiums received in accordance with your producer agreement.

The new Producer Agreement we will be sending includes a section regarding ACH transfers. We anticipate ACH transfers to be implemented towards the end of first quarter 2025. We kindly request your banking information upfront to help facilitate a seamless transition to this new process. All payments will continue to be issued via check until the ACH system is in place.

- **Producer Agreement Deadline:** Return your completed producer agreement to XINSURANCE by **December 15, 2024**, to avoid any disruption to your business operations.

### **Action Required from You:**

1. **Complete Producer Agreement:** You will receive a producer agreement package from us in the coming days. Please complete and return the required documentation as soon as possible, but no later than **December 15, 2024**.

2. **Notify Your Clients:** Inform your clients that, for policies effective on or after **January 1, 2025**, they will be billed directly by Prime Insurance Company and should remit payments accordingly.
3. **Prepare for the Transition:** Review your internal processes and be prepared for the switch to Direct Bill on January 1, 2025.

**Next Steps:**

We are committed to making this transition as seamless as possible. If you have any questions or concerns, please contact our Producer Services Team via email at [producerservices@primeis.com](mailto:producerservices@primeis.com) or by phone at (800) 421-8328. We will provide additional information on our website ([www.primeis.com](http://www.primeis.com)) to ensure that you have the necessary information for the upcoming changes.

Thank you for your continued partnership with Prime Insurance Company and XINSURANCE. We look forward to continuing to work with you through this transition and beyond.

Sincerely,

**Rick J. Lindsey**

CEO

Prime Insurance Company

Evolution Insurance Brokers, LC (d/b/a XINSURANCE)

**Important Facts About This Change**

1. New producer agreement will be sent within the next few weeks to the primary contact.
2. Agreements will be perpetual.
3. Prime will continue to accept Greenlight Premium Financing and outside financing as part of the Direct Bill process.
4. The commission fee structure will not be affected by the Direct Bill process - it will continue to operate as it has under the current arrangement.

If you have additional questions, please visit our FAQ page ([www.primeis.com/about/frequently-asked-questions/](http://www.primeis.com/about/frequently-asked-questions/))