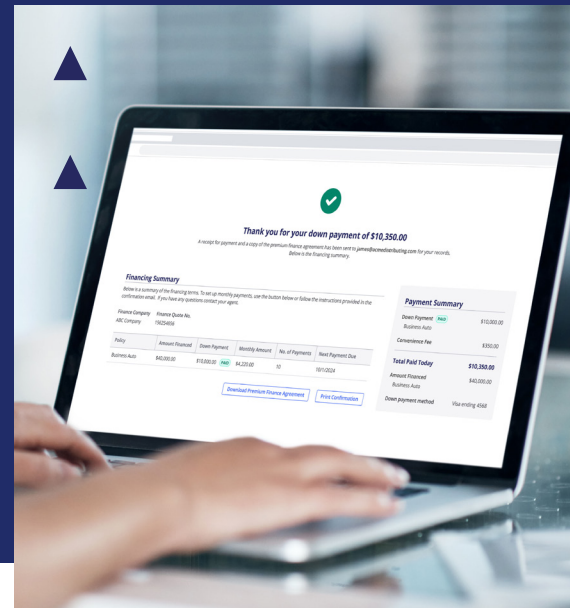


# Applied Pay™ introduces embedded premium finance for Applied Epic users.



## Embedded Premium Finance

Our fully integrated premium finance solution streamlines manual workflows by 90%, allowing you to focus on what matters most – your clients. Maintain your existing relationships with premium finance providers like AFCO Direct, FIRST Insurance Funding, and Imperial PFS while enjoying a fully embedded experience within Applied Epic®.

## Elevate Your Client Experience

Empower your customers with flexible payment options at checkout. With a single view, they can choose to pay in full or opt for financing. Our solution simplifies the process, enabling customers to sign the Premium Finance Agreement (PFA), make a down payment, and set up recurring installments – all in one streamlined experience.

## Boost Revenue and Speed Up Collections

Automating the creation of PFAs at checkout allows your agency to offer premium financing to a broader customer base, expanding your current revenue

opportunity. Studies indicate clients are more likely to purchase higher-value policies or add-ons when the financial burden is spread over time.

Financed payments make up 10–15% of agency bill policies. By automating the financing process for the insured and the agency, this ratio can reach upwards of 30%, leading to increased convenience for your policyholders and amplified earnings for your agency. Also, data indicates that offering premium finance at checkout decreases the typical premium collection time from 20 days to less than five.

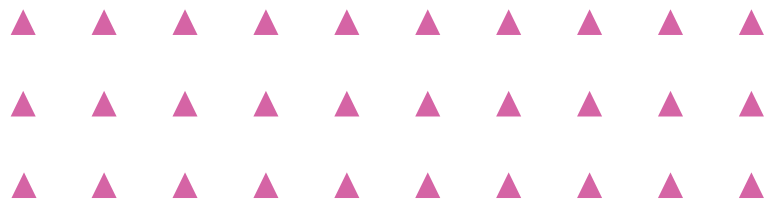
## Optimize Back-Office Operations

Our embedded solution automates back-office tasks, reducing operational costs. When a PFA is signed, the financing activity is automatically created in Applied Epic, seamlessly transferring the financed amount from the insured's account to the premium finance provider. Reconciliation of down payments and financed amounts across multiple policies are handled efficiently, further minimizing administrative burden.

**“Having premium financing integrated into our checkout process will be a game-changer, cutting our current process by up to 90%. Plus, the added bonus of not having to switch from our current premium finance company makes the opportunity even better.”**

– A National Insurance Agency





## How does Embedded Premium Finance from Applied Pay compare to 3rd party integrations?

Workflow	3rd Party	Embedded
Auto-generate in-principle Premium Finance offers at quoting	✗	✓
Auto-generate PFA quote for a single policy	✓	✓
Auto-generate a consolidated PFA quote for multiple policies	✓	✓
Import a manually generated premium finance quote into Applied Pay checkout	✗	✓
Carriers and premium finance provider combination payments (financing and in-full in a single transaction)	✓	✓
Set up auto-payments to the with finance providers at checkout for monthly/quarterly installments	✓	✓
Post a premium finance activity in Applied Epic and notify the agent of the payment of the financing terms	✗	✓
Write back the down payment and attach the signed PFA to the insured's account	✗	✓
Finance all the transactions on a policy to move the receivable balance to the with finance provider's account	✗	✓
Reconcile receipt of down payment	✗	✓
Reconcile receipt of financed amount from the carrier payables and premium finance provider payables (Cancellations/Endorsements)	✗	✓
Disburse to carriers and premium finance provider	✗	✓

Table Legend: ✗ Not Capable    ✓ Capable    ✓ Capability Coming Soon

## Transaction Fee Structure (Examples in chart below are illustrative only)

### Flexibility On How Fees Are Paid

There is a transaction fee of 0.50% (50 bps) assessed on the financed payment amount when loans are booked through embedded premium finance. **Just like other Applied Pay transaction fees, these fees can be paid directly by the agency or passed onto the insured.** If you choose to pass this fee on, it will be added into the APR amount of the loan. This results in a modest monthly payment increase for the insured. The table to the right illustrates the increase at various loan amounts.

Financed Amount	Increase In Monthly Payment
\$5,000	\$2.50
\$25,000	\$12.50 Typical financed amount
\$50,000	\$25.00
\$100,000	\$50.00
\$150,000	\$75.00

Note: Assumes 20% down payment with 10 monthly payments

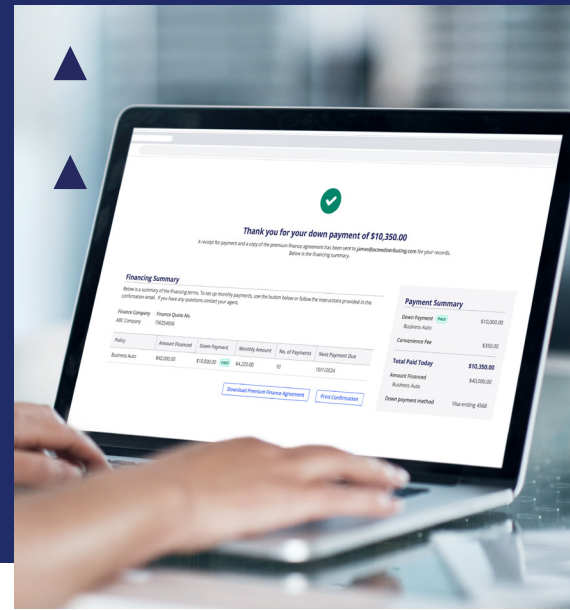
[Have Questions?](#)

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# Applied Pay™

## Embedded Premium Finance Frequently Asked Questions



### Do I need to be an Applied Pay user to take advantage of embedded premium finance?

Yes, embedded premium finance is available only to agencies that use Applied Pay and have migrated to Epic Browser.

### Will premium financing be offered to all our insured customers by default?

Embedded premium finance provides you complete flexibility on whom to offer premium finance. You can choose to disable premium finance when accepting payment for a specific set of policies. In the Applied Pay settings, you can also configure stipulations around ineligible carriers, business types, and minimum invoice amounts for premium finance payments.

### Is it mandatory to invoice a policy in Applied Epic to use embedded premium finance?

Yes, it is a requirement to invoice a policy in Applied Epic to enjoy the benefits of automated write backs. Invoicing a policy allows Applied Pay to fetch all the policy information from Applied Epic to generate a Premium Finance Agreement. It also enables accurate writebacks to Applied Epic at the transaction level.

### Does the insured see multiple finance offers and terms at checkout?

No, the insured only sees one offer at checkout based on your existing finance offerings with the finance company.

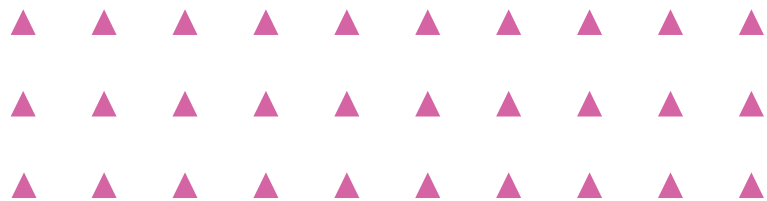
### Does the agent see multiple finance offers and terms to present to the insured?

No, currently embedded premium finance does not present multiple offers from the finance companies for the agent to choose from. We plan to enhance this offering in future phases.

### How does the system decide which finance company's agreement to present to the insured?

In the Applied Pay settings, we allow you to configure premium finance groups with one primary and two secondary premium finance companies by Epic Structures. You can leverage multiple premium finance groups to manage geographical or branch preferences. Within this group, you can also define a selection criteria based on minimum amount, carriers, and businesses by finance company. The system runs this selection criteria and surfaces a Premium Finance Agreement based on the offer from the applicable finance company.





## How can I edit the APR on the Premium Finance Agreement?

Because the Premium Finance Agreement gets generated at checkout, you will not see it until a financed payment has been processed. The insured can, however, share the Premium Finance Quote number with you before making the down payment. You can access this quote on the finance company's portal and edit the APR as needed. These Premium Finance Agreements will need to be processed outside the embedded premium finance integration.

In Phase 2, Applied Pay will be launching a feature to ingest a Premium Finance Quote number, which will allow you to leverage the power of automation. This is especially helpful for larger transactions.

## How does embedded premium finance create a transaction in Applied Epic?

In the Applied Pay settings, you can choose if you want embedded premium finance to auto-finance transactions at a finance company level. When turned on, it writes back the payment on a per transaction basis in Applied Epic. Applied Pay processes the down payment and applies credits to debits to the relevant transaction on the insured's account. The financed amount is moved to the finance company's GL account as a receivable balance.

Embedded premium finance also marks the policy as financed under the "Billing" tab under the "Servicing/ Billing" details. A signed copy of the Premium Finance Agreement can be found in the "Attachments" section on the insured's account in Applied Epic.



Save as many as  
**15 minutes per  
policy funded.**

Source: Applied Systems

## How can I endorse or cancel a Premium Finance Agreement from Applied Pay?

In Phase 1, endorsements and cancellations will be outside the purview of embedded premium finance. You can use your existing workflows to process these updates to a Premium Finance Agreement. In case of insured-solicited cancellations, you can access the down payment transaction in the Applied Pay Portal and void the transaction or process a refund.

## If I choose to pass the fees onto the insured, how is the transaction fee presented?

The transaction fee is applied to the APR on the loan. A fee is not assessed on the down payment.

## Are all the loans booked instantly?

While most loans would book right away, there would be instances where the finance company needs additional information to underwrite the insured and the policy. This typically happens for larger transaction sizes, where the finance company may seek financial statements and other documents for booking the loan. In such cases, the finance company will reach out to you.

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## Have Questions?

Call **800.999.5368**

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