

WHAT IS MINIMUM EARNED PREMIUM? MEP

For certain insurance coverage we stipulate that "This coverage is subject to the 'Minimum Earned Premium' (MEP) and we indicate the amount of the MEP. This is not an indication of a surcharge or an amount that will be added to your quoted premium. It only means that if, for any reason, you cancel your policy the minimal charge of cancellation will be the amount of the MEP. For example: if your annual premium is \$1,200.00 with a calculated MEP of \$500.00 and after 1 month you decide to cancel your policy, you will be charged for an MEP of \$500.00. This applies even if your monthly premium payment before cancellation was \$100.00 (\$1,200.00 divided by 12 months).