

## Hanover/TRG Refund Policy

The following is the refund policy of TRG under the assumption that there are no outstanding claims on the account. If there are outstanding claims, no amount of refund/credit will be granted until all outstanding claims have been satisfactorily addressed by the client.

The minimum premium earned on any bond is \$100, regardless of the pro-rated amount of the bond that is on file.

TRG will refund/credit terminated bonds based upon a pro-rated amount of the premium paid. The client will be refunded/credited the unused amount of premium paid, but will not be refunded the fees paid.

The pro-rated amount will take into account the number of unused years and the number of unused months (based upon a 30 day month) and days.

Single year policies will be refunded/credited based upon the months and days that went unused when the bond is terminated.

Two year policies will be refunded/credited based upon the months, days, and years that went unused. Due to the multi-year discount that is granted with a two year policy, 57.143% of the premium is considered earned in the first year, with 42.857% of the premium earned in the second year.

Three year policies will be refunded/credited based upon the months, days, and years that went unused. Due to the multi-year discount that is granted with a three year policy, 40% of the premium is considered earned in the first year, with 30% of the premium earned in the second year and 30% of the premium earned in the third year.

### **For Example:**

3-Year Bond, \$800 premium paid, Effective Date 2/28/11, Terminated 6/15/12

\$320 1<sup>st</sup> Year, \$240 2<sup>nd</sup> Year, \$240 3<sup>rd</sup> Year.

Bond in effect 1 Year, 3 months, 17 Days

\$320 earned 1<sup>st</sup> Year, \$70.36 earned 2<sup>nd</sup> Year = \$390.36 earned

\$409.64 Credit/Refund