

Late and Interest Charge Examples

The following examples are based on a late charge of 4% and an interest rate of 5%. Lenders should use the current rates for actual late and interest calculations. Examples include:

- Late and Interest Charges for One Month of Past Premium Owed
- Late and Interest Charges for Two Months of Past Premium Owed
- Interest Charge for Portion of Past Premium Owed
- Late and Interest Charges - Payment Remitted at End of Month

Late and Interest Charges for One Month of Past Premium Owed

March	April																												
<p>1 No payment remitted February premium of \$25 billed on February 15 and payment due on March 1</p>	<p>1 Payment due for March bill</p>																												
	<p>9 Payment remitted: \$51.00</p>																												
<p>11 No payment remitted Late fee will be assessed on unpaid February premium (to be billed on March 15)</p>	<p>11 No late fee assessed on March premium</p>																												
<p>15 March bill processed (payment due April 1) The bill includes:</p> <table style="width: 100%; border: none;"> <tr> <td colspan="2"><i>Premium:</i></td> </tr> <tr> <td style="padding-left: 20px;">Current Premium Owed (Mar)</td> <td style="text-align: right;">\$25.00</td> </tr> <tr> <td style="padding-left: 20px;">Past Premium Owed (Feb)</td> <td style="text-align: right;"><u>\$25.00</u></td> </tr> <tr> <td></td> <td style="text-align: right;">\$50.00</td> </tr> <tr> <td colspan="2"> <i>Late:</i></td> </tr> <tr> <td style="padding-left: 20px;">Current Late Owed (Feb premium unpaid by 3/10)</td> <td style="text-align: right;"><u>\$ 1.00</u></td> </tr> <tr> <td> Total Billed:</td> <td style="text-align: right;"> \$51.00</td> </tr> </table>	<i>Premium:</i>		Current Premium Owed (Mar)	\$25.00	Past Premium Owed (Feb)	<u>\$25.00</u>		\$50.00	 <i>Late:</i>		Current Late Owed (Feb premium unpaid by 3/10)	<u>\$ 1.00</u>	 Total Billed:	 \$51.00	<p>15 April bill processed (payment due May 1) The bill includes:</p> <table style="width: 100%; border: none;"> <tr> <td colspan="2"><i>Premium:</i></td> </tr> <tr> <td style="padding-left: 20px;">Current Premium Owed (Apr)</td> <td style="text-align: right;">\$25.00</td> </tr> <tr> <td style="padding-left: 20px;">Past Premium Owed</td> <td style="text-align: right;"><u>\$ 0</u></td> </tr> <tr> <td></td> <td style="text-align: right;">\$25.00</td> </tr> <tr> <td colspan="2"> <i>Interest:</i></td> </tr> <tr> <td style="padding-left: 20px;">Current Interest Owed* (Feb premium unpaid by 3/31)</td> <td style="text-align: right;"><u>\$.08</u></td> </tr> <tr> <td> Total Billed:</td> <td style="text-align: right;"> \$25.08</td> </tr> </table> <p>*31 days accrued interest (March 1-March 31) on past premium owed (Feb) of \$25.00</p>	<i>Premium:</i>		Current Premium Owed (Apr)	\$25.00	Past Premium Owed	<u>\$ 0</u>		\$25.00	 <i>Interest:</i>		Current Interest Owed* (Feb premium unpaid by 3/31)	<u>\$.08</u>	 Total Billed:	 \$25.08
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<p>31 No payment remitted Interest will be assessed on past premium owed (Feb) of \$25.00 (to be billed on April 15)</p>	<p>31 No interest fee will be assessed since the March bill was paid in full There is no past premium owed</p>																												

Late and Interest Charges for Two Months of Past Premium Owed

March	April	May
1 No payment remitted February premium of \$25 billed on February 15 and payment due on March 1	1 Payment due for March bill No payment remitted	1 Payment due for April bill No payment remitted
		9 Payment remitted: \$77.08
11 No payment remitted Late fee will be assessed on unpaid February premium (to be billed on March 15)	11 No payment remitted Late fee will be assessed on unpaid March premium (to be billed on April 15)	11 No late fee assessed on April premium since April bill was paid in full
15 March bill processed (payment due April 1) The bill includes: <i>Premium:</i> Current Premium Owed (Mar) \$25.00 Past Premium Owed (Feb) <u>\$25.00</u> \$50.00 <i>Late:</i> Current Late Owed (Feb premium unpaid by 3/10) <u>\$ 1.00</u> Total Billed: \$51.00	15 April bill processed (payment due May 1) The bill includes: <i>Premium:</i> Current Premium Owed (Apr) \$25.00 Past Premium Owed (Feb and Mar) <u>\$50.00</u> \$75.00 <i>Late:</i> Current Late Owed (Mar premium unpaid by 4/10) \$ 1.00 Past Late Owed (Feb premium unpaid by 3/10) <u>\$ 1.00</u> \$ 2.00 <i>Interest:</i> Current Interest Owed* (Feb premium unpaid by 3/31) <u>\$.08</u> Total Billed: \$77.08 *31 days of accrued interest (March 1-March 31) on past premium owed of \$25.00	15 May bill processed (payment due June 1) The bill includes: <i>Premium:</i> Current Premium Owed (May) \$25.00 Past Premium Owed <u>\$ 0</u> \$25.00 <i>Interest:</i> Current Interest Owed** (Feb and Mar premium unpaid by 4/30) <u>\$.15</u> Total Billed: \$25.15 **30 days of accrued interest (April 1-April 30) on past premium owed of \$50.00
31 No payment remitted Interest will be assessed on past premium owed (Feb) of \$25.00 (to be billed on April 15)	30 No payment remitted Interest will be assessed on past premium owed (Feb and Mar) of \$50.00 (to be billed on May 15)	31 No interest fee will be assessed since the April bill was paid in full There is no past premium owed

Interest Charge for Portion of Past Premium Owed

March	April	May
1 No payment remitted February premium of \$25 billed on February 15 and payment due on March 1	1 Payment due for March bill No payment remitted	1 Payment due for April bill No payment remitted
	9 Payment remitted: \$15.00 (\$1.00 applied to late owed and \$14.00 applied to past premium owed)	9 Payment remitted: \$62.08
11 No payment remitted Late fee will be assessed on unpaid February premium (to be billed on March 15)	11 Not enough money remitted Late fee will be assessed on unpaid March premium (to be billed on April 15)	11 No late fee assessed on April premium since April bill was paid in full
15 March bill processed (payment due April 1) The bill includes: <i>Premium:</i> Current Premium Owed (Mar) \$25.00 Past Premium Owed (Feb) <u>\$25.00</u> \$50.00 <i>Late:</i> Current Late Owed (Feb premium unpaid by 3/10) <u>\$ 1.00</u> Total Billed: \$51.00	15 April bill processed (payment due May 1) The bill includes: <i>Premium:</i> Current Premium Owed (Apr) \$25.00 Past Premium Owed (Feb and Mar) <u>\$36.00</u> \$51.00 <i>Late:</i> Current Late Owed (Mar premium unpaid by 4/10) \$ 1.00 <i>Interest:</i> Current Interest Owed* (Feb premium unpaid by 3/31) <u>\$.08</u> Total Billed: \$62.08 *31 days of accrued interest (March 1-March 31) on past premium owed of \$25.00	15 May bill processed (payment due June 1) The bill includes: <i>Premium:</i> Current Premium Owed (May) \$25.00 Past Premium Owed <u>\$ 0</u> \$25.00 <i>Interest:</i> Current Interest Owed** (Feb and Mar premium of 36.00 unpaid by 4/30) <u>\$.11</u> Total Billed: \$25.11 **30 days of accrued interest (April 1-April 30) on past premium owed of \$50.00
31 No payment remitted Interest will be assessed on past premium owed (Feb) of \$25.00 (to be billed on April 15)	30 No payment remitted Interest will be assessed on past premium owed (Feb and Mar) of \$36.00 (to be billed on May 15)	31 No interest fee will be assessed since the April bill was paid in full There is no past premium owed

Late and Interest Charges - Payment Remitted at End of Month

March	April	May
<p>1 No payment remitted February premium of \$25 billed on February 15 and payment due on March 1</p>	<p>1 Payment due for March bill No payment remitted</p>	<p>1</p>
<p>11 No payment remitted Late fee will be assessed on unpaid February premium (to be billed on March 15)</p>	<p>11 No payment remitted Late fee will be assessed on unpaid March premium (to be billed on April 15)</p>	<p>11</p>
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<p>31 No payment remitted Interest will be assessed on past premium owed (Feb) of \$25.00 (to be billed on April 15)</p>	<p>30 Payment remitted: \$77.08 No interest fee will be assessed since the April bill was paid in full There is no past premium owed</p>	<p>31 No interest fee will be assessed since the April bill was paid in full There is no past premium owed</p>