

NHSCA Model Automatic Renewal Clause

ver: 10/28/11

Optional: Many customers prefer the convenience and uninterrupted service an automatic renewal provides. It is a valuable consumer's choice we are happy to offer.

MODEL CLAUSE:

If you have previously selected a regular payment option, or an annual automatic renewal, *and we elect to renew your Plan*, we will notify you of the terms within sixty (60) days prior to expiration of coverage. You will automatically be renewed for one (1) year unless you notify (The Company), in writing, within thirty (30) days prior to the Plan expiration. Your first renewal payment will serve as your authorization for another year.

If you request to cancel after automatic renewal takes place, we will honor your request to cancel immediately. We will provide a pro rata refund, less benefits paid. If you have any questions, our toll free number is ____-____-____.

Note: The notice should be placed prominently on the first page of the renewal statement. Some states and proposals say "at least 30 days prior," but this leaves virtually no realistic time for consumer to respond before actual renewal. The best practice may be to set your software to kick notice out at *58 days prior* to renewal as some states and proposals say you cannot provide notice *more than* 60 days out. Notice can be provided by other than regular mail (email or other means) when previously established and consented to.

Note: Some states allow the provider to deduct an administrative fee if the customer cancels after renewal, some do not. You might add "an administrative fee of \$XX will be deducted, where permitted by law."