Texas Rate Settlement – Refund Calculation Example

The following table shows an example of the refund calculation:

Policy Effective Date	Premium	Calculation of Premium Refund = Premium x Premium Refund Percentage	Premium Refund	Calculation of Interest Payment = Premium Refund x Annual Interest Rate x Interest Period	Interest Payment	Total Refund
Nov. 1, 2003	$500	$500 x .062	$31.00	$31.00 x .0525 x # days from Nov. 1, 2003 through Feb. 28, 2015 / 365 days	$18.45	$49.45
Nov. 1, 2004	$500	$500 x .025962	$12.98	$12.98 x .0525 x # days from Nov. 1, 2004 through Feb. 28, 2015 / 365 days	$7.04	$20.02
Nov. 1, 2005	$500	$500 x .025962	$12.98	$12.98 x .0925 x # days from Nov. 1, 2005 through Feb. 28, 2015 / 365 days	$11.21	$24.19
Nov. 1, 2006	$500	$500 x .025962	$12.98	$12.98 x .0925 x # days from Nov. 1, 2006 through Feb. 28, 2015 / 365 days	$10.01	$22.99
Nov. 1, 2007	$500	$500 x .025962	$12.98	$12.98 x .0925 x # days from Nov. 1, 2007 through Feb. 28, 2015 / 365 days	$8.81	$21.79
Nov. 1, 2008	$500	Not in eligible time period	None	None	None	None
Total for Policy						**$138.44**