

**INSURANCE PREMIUM FINANCE  
SPREAD THE COST. KEEP CONTROL.**



# WHAT IS PREMIUM FINANCE?


Whether for personal or business use, insurance is essential for most of us but even when a competitive policy has been tracked down, having to shell out for a hefty payment or 'premium' can come as quite a shock to the system. Quite simply, premium finance is a convenient way of paying for your insurance by regular instalments instead of having to cover the entire cost up front.

## **How it works**

When you take out a new insurance policy or renew an existing one, your insurance broker or insurance company can arrange premium finance for you at the same time. You can then spread the cost of the insurance by agreeing to make regular Direct Debit payments.

If you decide that premium finance is the right option for you, your agreement will generally be with a specialist premium finance provider, rather than your insurance broker or insurer.

Premium Credit Limited is the number one premium finance company in the UK and Ireland, but whichever company you choose, they will pay the whole of your premium to your insurance broker or insurance company upfront and then collect the agreed payments from you in regular instalments.

IF YOU OPT FOR PREMIUM FINANCE FROM PREMIUM CREDIT, APPLYING IS EASY AND STRAIGHTFORWARD. 

1

**You may be able to apply for credit at point of sale, over the telephone or online. You can discuss your preferred option with your insurance broker or insurance company. All you need to do is supply your personal details and the bank details that you would like us to use for collecting your instalments.**

2

**Once we receive your details, occasionally we may require further information to help us finalise this process.**

3

**We will confirm the amount advanced together with details of the instalments, including the date of the first and subsequent payments, before we begin collecting your payment.**

4

**We will ask you to sign a Credit Agreement, which you may be able to sign online to save time and hassle – and to do your bit for the environment. But you also have the option to sign and return a paper version if you prefer.**

5

**We will begin collecting your instalments before you return your signed Credit Agreement. This is to ensure we are ready to fund your insurance premium to pay for your insurance policy, upon receipt of your signed Credit Agreement.**

6

**There is then nothing more for you to do, as we will pay your premium directly to your insurance broker or insurer.**

**Your bank statements will normally show that the instalments have been collected in the name of Premium Credit, although sometimes they may appear in the name of your insurance broker or insurance company.**

### **What happens if my insurance policy changes?**

If your insurance premium goes up or down as a result of changes to your policy, you'll be informed by your insurance broker or insurance company, who will also tell us. We will then notify you of any changes to your instalments.

Where we are required to do so, we will provide you with a new Credit Agreement to sign when changes are made to your policy and also at renewal.

### **Regulatory peace of mind**

Many Credit Agreements are regulated by the Consumer Credit Act 1974 (CCA), which means you have certain rights and protections if you cancel or default under this regulated Credit Agreement.

However the CCA does not always apply, as detailed below:

The CCA applies:

- if you are an individual or partnership of 3 or less partners:
  - to all loans if £25,000 or less
  - to loans of more than £25,000 if they are not for business purposes.

The CCA **does not** apply:

- to all loans if you are a partnership of more than 3 or a limited company
- to all loans over £25,000 if you are an individual or partnership of 3 or less and the loan is for business purposes
- to loans where the number of instalments is four or less.

And for added peace of mind, payments collected from your chosen bank account benefit from the protection of the Direct Debit Guarantee provided by all banks and building societies that take part in the Direct Debit Scheme.

For further information, please check with your insurance broker or insurance company.

# A HELPING HAND WITH YOUR FINANCES

Spreading the cost of your insurance can bring significant benefits. These days, keeping a close eye on your money is more important than ever and having to find a sizeable lump sum all at once can sometimes put a severe strain on the finances. It may even mean making stringent cut-backs on the rest of your outgoings.

Many people find that regular instalments made by Direct Debit are far easier to budget for. While for companies arranging their commercial insurance, the ability to manage cash flow and invest funds elsewhere in the business can also be an attractive prospect.

## **Is premium finance the right choice for you?**

As long as you are over 18, a UK resident and have the type of bank account that can support Direct Debit payments, you can apply for premium finance.

As you would expect, a service charge (interest) is applied if you decide that premium finance is the option for you. For more details on the costs involved, please contact your insurance broker or insurance company, who should be able to provide you with a written quotation.

There are alternative ways of spreading the cost which you also might want to consider. For example, you could pay with a credit card, take out a bank loan or perhaps simply go into overdraft. Of course, like premium finance, these options will also entail additional costs, so it's worth researching all the options before making your decision.



**Control**



**Choice**

# SOME QUESTIONS ANSWERED

**Q.**  
**Is Premium Credit  
an insurance  
company?**

**A.** No. We arrange the finance which allows you to spread the cost of your payments for your insurance premium. Insurance cover is arranged by your insurance broker or directly by an insurance company. Once you have decided to pay by Direct Debit, we pay your insurance broker or insurance company the full amount for the year on your behalf. You then make regular payments to us by instalments in line with your Credit Agreement.

**Q.**  
**Can I choose a  
preferred payment  
date?**

**A.** If you opt for premium finance from Premium Credit, in some cases you may be able to choose a regular payment date to suit you. However, you'll need to check this with your insurance broker or insurance company.

**Q.**  
**Can I combine the  
payments for  
more than one  
insurance policy?**

**A.** If you have other insurance policies, for example car and home insurance, you may be able to pay for these with one single regular payment – but only if both policies have the same renewal date. Your insurance broker or insurer can arrange this for you.

**Q.**  
**What if I miss a  
payment?**



**A.** Missing a payment is known as a 'default'. If this happens, a default charge will be applied to each payment missed. It is important to keep up your regular payments because your insurance might be cancelled if you fail to do so.

**Q.**  
**What happens if I  
need to cancel my  
insurance?**



**A.** You should always discuss any action you wish to take with your insurance broker or insurance company. They will tell you if policy cancellation is appropriate for your circumstances and explain what happens next.

# ABOUT PREMIUM CREDIT

Because we operate exclusively through a wide network of insurance brokers and insurers, there's a good chance you won't have heard of us.

So you might be surprised to learn that with over 1.5 million customers, we advanced £3 billion and processed over 15 million Direct Debits in 2009. As a result, we are the number one premium finance company in the UK and Ireland.

We have more than 21 years' experience of helping businesses, private individuals, professionals and organisations to spread their insurance payments. We also provide the finance to pay professional fees, membership subscriptions and other commercial service charges in regular instalments, rather than in one lump sum.

Premium Credit is a Bank of America company, one of the largest financial organisations in the world. We like to think that our success is in no small part attributable to the pride we take in delivering a highly competitive and efficient service. And, while your first point of contact is your insurance broker or your insurer, once your plan is up and running, our friendly and efficient customer service team are on hand to deal with any queries you may have.

## **For more information**

If you are interested in finding out more about how premium finance can ease the burden of your insurance bill, please contact your insurance broker or insurance company.

For more information about Premium Credit Limited, please visit

[www.premiumcredit.co.uk](http://www.premiumcredit.co.uk)

Registered Office: Premium Credit House,  
60 East Street, Epsom, Surrey, KT17 1HB  
Registered No: 2015200 England and Wales

