

## Take the crunch out of your insurance payment with premium finance

**Have you noticed how much more difficult it has become to borrow money?**

It's all over the press - banks and finance providers have tightened their lending criteria, the house market has slowed down with house prices dropping and auditors are looking more critically at companies' financial health. Businesses are now more concerned with their level of debt as they feel the effects of the credit squeeze!

**But, what is the credit squeeze all about?**

High defaults in sub-prime mortgage lending in the USA have made banks worldwide reluctant to lend money to each other, as doubts exist on which banks may be sitting on large losses. Inter-bank lending is one of the key ingredients in making funds available to borrowers, and a vital lubricant to the economy... The knock-on effect is that businesses and individuals now struggle to borrow money, and are paying higher rates to do so.



No-one else is Close.

## What does this mean for you?

Whether you're a business owner or an individual, you may be finding it harder to obtain credit and may therefore be avoiding spend where possible. You may even be holding off finalising some of your annual facilities, such as your insurance, whilst you consider your payment options.

## So what are the payment options?

There's always the option of using your credit facilities but you may prefer to use premium finance so your overdraft and credit resources remain free for other business needs.

Premium finance spreads the payment of your insurance over a series of fixed sum instalments, typically 6 or 10 months. We lend from as little as £100 to large sums and you choose the monthly repayment date to suit you.

This off-balance sheet facility has the added bonus of corporation tax relief on the finance charge as companies only pay tax on their profits, and our interest charge is a deductible cost.

## Are there any other benefits of using premium finance?

You can combine all of your insurance policies into one loan, and adjust premiums mid-term, with ease. Renewing your loan at the end of the period of insurance is also simple, and unlike with insurer instalment schemes you are free to switch your cover between insurers as you choose.

## Is there much paperwork involved?

No, your broker processes the loan through our online system, i-prompt, and we then send you a welcome pack with full loan details. Once you have signed and returned the initial agreement, you are not required to sign further paperwork at renewals, making the long-term process faster too.

## Need more info?

Ask your broker for more info or visit the client section on our website, [www.closepf.com](http://www.closepf.com)