

What is premium finance?

Premium finance is the easy way to pay for insurance. It's a loan that allows you to spread the payment for your insurance over a period of time, typically 10 months.

This loan is provided by Close Brothers. Through your broker or insurer, we lend you the money at a competitive rate of interest. You then repay the loan through an instalment plan that allows you to manage your cashflow more easily.

But our premium finance is not just another loan, it is a payment facility where you can combine multiple policies into one monthly payment with policy renewals or mid-term adjustments arranged without repeat paperwork.

Who are Close Brothers?

We're the pioneering providers of premium finance products and services in Spain, having introduced the concept in the UK in 1977. Today we fund €3billion in premiums through over 3,000 brokers in Spain, the UK and Ireland.

We are part of Close Brothers Group plc, the largest and most successful independent merchant bank in the UK. Founded in the city in 1878, Close now has assets of £4bn, employs over 2,000 people and is listed on the London Stock Exchange.

Close Brothers are independent so your broker is free to recommend the best policies. We simply forward the funds to your broker who then forwards it to the insurance company you've chosen.

How does it work?

The loan is organised through your broker and is paid back through a direct debit instalment plan. If a deposit is required, a number of options are available which your broker will discuss with you

If you want to make changes or add another policy to your loan, we can easily amend the payment plan to suit you.

Your broker will ask you to renew your policy well in advance of the renewal date and you will not be required to sign any further documentation.

What are the benefits for you?

- Premium finance gives you more choice – your cash or overdraft remains free to be used for other expenditure.
- You can combine various policies into 1 easy monthly payment which eases cash flow.
- You save time as the insurance and payment can be arranged in one visit.
- You have the ability to add new policies and draw down further loans at any time.
- You can use your cash to achieve your business's target Return on Capital which will almost certainly be higher than the charge for the loan.
- You will have access to an additional off balance sheet line of credit.
- There is a fixed interest rate charge on the cost of finance.
- Insurance can be treated as a monthly cost for tax purposes.

How can I find out more?

Speak to your broker or insurer now and they will arrange all this for you quickly and easily.