

The Elements of a Premium Finance Loan



Premium finance loans help businesses free up working capital and reallocate cash that otherwise would be committed to upfront lump-sum payments for Property & Casualty (P&C) insurance.

- Premium financing provides a loan to insureds to finance P&C insurance premiums
- Secured by the unearned premium in the underlying insurance policies
- The insured makes a down payment and finances the remaining balance during the life of the insurance policy
 - Typical transaction: Down payment of 20% with the remaining 80% financed over nine months
- If the insured defaults, the premium finance company cancels the insurance policy and collects the unearned premium
- Straightforward Premium Finance Agreement (PFA) documentation includes:
 - Promissory note (unconditional promise to pay by the insured)
 - A security interest in the unearned premium
 - A power of attorney to cancel the insurance policies in the event of a default

To obtain a premium finance quote:

- Toll-free telephone: **877-494-5168, option 1** (Denver) | **800-624-2206** (Chicago)
- Email: Denver@afco.com (Denver) or Marketing@afco.com (Chicago)

To contact AFCO's Customer Service Team:

- Toll-free: **877-494-5168, option 2** (Denver) or **877-701-1212** (Chicago)
- Email: Glenview.CustomerService@afco.com