

Premium Finance Benefits

Improved Cash Flow - Financing insurance premiums eliminates the need for an insured's lump-sum payment to the insurance company. This preservation of capital gives clients greater control of their cash flow, preserves credit lines, and improves their balance sheet. There are aggressive payment plans (including equals options) that may provide even more cash flow flexibility than direct bill options.

Consolidated Insurance Payments - Multiple policies can be placed on one finance agreement providing a single payment plan for all insurance coverage. Also, insurance policies that may be effective at a later date can be subsequently placed onto an existing financed account.

No Lengthy Approval Procedures - The approval process for a premium finance transaction is generally more streamlined than other secured loans. Our web-based premium finance platform automates much of the review process and results in approval within minutes on most loans.

Fixed Rate - Unless otherwise specified, the annual percentage rate remains the same for the life of the premium finance loan.

Tax Deductible Interest on Loans - On commercial premium finance transactions, the loan interest may be a tax deductible expense. For further information, contact your tax advisor.

Loan Prepayment - An insured may prepay their premium finance loan. In most states, early payment will not result in charges beyond the interest earned until the time of prepayment.

Commissions Received Immediately - When a policy's premium is financed, your agency is funded the entire premium. The client makes a down payment and BankDirect provides the net amount financed when the loan is booked/accepted. Commissions are realized immediately, rather than when the insurance companies are paid by the client.

Revenue Opportunities - The ability to generate revenue, in various capacities, from premium financed accounts where allowable by state law. This can be through a traditional add-on percentage to the base interest rate, earn a percentage of the amount financed, and/or installment/service fee revenue.