

Arch Insurance (UK) Limited Premium Repayment Plan (Recourse Only)



What you need to know...

You have received this document as we have offered you the option for your client to pay their premium by instalments.

ARCH works exclusively with Premium Credit Limited (PCL) to provide your instalment plan.

What does this mean?

- ARCH acts as a Credit Broker and we are not the actual lender; the lender is Premium Credit Limited.
- Your client's premium instalment plan is funded by a credit agreement, so we can offer them one simple method of payment for one or more products they may have with us.
- Your clients are always free to choose how they pay for any products they have with us. If they would prefer to pay in a different way, either now or later, then please get in touch with us as soon as possible.
- We will not charge your client a fee for introducing them to PCL, but we do receive commission from PCL directly. You can request details of this at any time.

Are there any restrictions in your service?

- As we only work exclusively with PCL, we are only able to offer your client information about this option.
- We cannot advise or recommend if this is the payment option most suited to your client and your client must take the time to ensure it is appropriate to their needs and regular payments are affordable.

Your client's regular payment commitments and fees and charges applying under PCL's credit agreement.

What does this mean?

- Charges for using the PCL facility are shown in the next section. Your client will also receive an individual payment plan from PCL.
- You will also be advised of the APR to enable your client to consider costs of credit relative to other forms of credit they may have access to. Fees and charges may change at each renewal. Your client should check when renewing their policy that the terms remain appropriate for their needs.
- If this is a new agreement, your client has within a 21 day period to change their mind and withdraw from the agreement without penalty. After this time, additional fees will be incurred.

What are PCL's charges under the credit agreement?

- PCL will apply a charge for providing a Credit Facility, this is shown as the 'Transaction Fee' and the amount will be detailed in our Payment Schedule together with a representative Annual Percentage Rate (APR). The Transaction Fee is calculated as a percentage of the loan amount.
- Changing payment date is possible to a date within the same month (or to a new month if within 5 days of inception). Clients should be asked their preferred payment date when establishing the agreement. There is no charge to change this mid term.
- Failure to make payment when due - £25 fee each time a payment is missed.
- There are no cancellation fees or charges.
- There is a £25 chaser fee where PCL do not have a signed consumer credit agreement from the policyholder.

The application process and how your client's information will be used as part of this process.



How will the application be assessed?

- Credit is always subject to financial circumstances and status.
- Your client should inform us and PCL of any difficulties they may foresee in making repayments during the contract.
- To enter into PCL's credit agreement, your client must be resident in the UK, aged 18 years or over, hold a bank or building society current account which can support Direct Debit payments and have not been declared bankrupt.
- PCL may use a credit reference agency that leaves a record of the search or obtain further information about your client (or your client's business, if applicable) to carry out credit worthiness checks and other checks required by law.
- PCL are able to provide your client with details of any credit reference agency consulted, should this information be required.

How will your client's data be handled as part of this process?

- Their personal information, including bank details will be passed onto PCL in order to set up and manage their instalment plan.
- PCL may provide periodic updates to us in order that we can monitor their service and they inform us of any difficulties your client may have in making payment, so we can take steps to ensure their cover remains in force.
- Unless you inform us or PCL otherwise, PCL will mostly communicate with your client in an electronic format, using either their email address or their online portal; this will also allow them to sign the credit agreement electronically and manage their plan; reducing paper and supporting PCL's environmentally friendly approach.
- If your client has any objections or concerns regarding the way in which their data is handled, or the credit checks undertaken, then please contact us or PCL at any time. PCL may not be able to offer finance without checks being undertaken.

How will your client's insurance policy impact the credit agreement with PCL?

Changes to your client's policy.

- If your client makes a mid-term change to their policy, we will always inform you of the change in insurance premium and any associated insurance charges.
- Most changes to your client's insurance premium can also be accommodated within the credit agreement and if you select this option PCL will send your client a revised payment schedule up to their renewal.
- If your client would prefer to pay any additional premium in a one-off payment instead, then please let us know at the time of making the change.
- If your client changes insurance brokers, please inform us as soon as possible. If your client's new broker has an arrangement with PCL, they may be able to continue the plan with your client. If this is not the case, then PCL may require your client to repay any outstanding balances relating to their existing insurance Policies within 14 days.

Your credit when your insurance renews.

- Unless you advise us ahead of renewal, your client's instalment plan with PCL will always continue.
- However, as the interest rate/APR%, fees and charges can change, please check your client's renewal documentation to ensure these remain appropriate for them.
- Please contact us ahead of the renewal date if your client would prefer to pay by an alternative method to avoid paying any charges applicable under the credit agreement.



What if your customer fails to make payment when due?

- Please contact PCL immediately if your client is having payment difficulties or think that their payment may not be made as planned. PCL are best placed to discuss any suitable options with them, which could avoid additional charges or more serious consequences.
- Non-payment may mean that your client's agreement is terminated and must pay the full outstanding balance.
- If your client continues not to pay, legal proceedings may be taken against them incurring additional costs, charges and possibly leading to a County Court Judgment (a CCJ).
- Non-payment may be reported to credit reference agencies which can adversely affect your client's credit rating and they may find it more difficult to obtain credit, insurance or other products in the future.
- We will also be advised if your client miss their payments, this may result in the cancellation of any Insurance Policies financed using PCL.
- Any refund of premium arising from the cancellation of your client's insurance policy will be used to repay any monies they owe PCL or, where we have paid PCL, any monies they owe us.
- We may take separate action against your client to recover any shortfall relating to your client's insurance premiums and associated charges.

What if I need to contact PCL directly?

- Your client can contact PCL at any time should they wish to clarify any details of their credit agreement or have any questions or concerns they may wish to raise about the service, for ease PCL's details are below:

 **Operations Centre, Ermyn House, Ermyn Way,
Leatherhead, Surrey, KT22 8UX**

 **0344 736 9836**

 **www.premiumcredit.co.uk**

- PCL is also authorised and regulated by the Financial Conduct Authority (FCA), their status can be checked by visiting the FCA website (<https://register.fca.org.uk/>) and their credit agreement is subject to English Law.

Other Important Information

In the event of insurer insolvency, PCL may use any money received from the Financial Services Compensation Scheme (FSCS) to repay all or part of any outstanding balance due under the credit agreement.

If you have any questions or queries, please do not hesitate to contact your Arch representative. Please ensure where you offer PCL on our behalf to your client(s) that you have the credit broking permissions.

Please advise your client of these important details and ensure you make all the appropriate regulatory disclosures to your customers in relation to this agreement. You must comply with the requirements of Premium Credit Ltd's Regulatory Guide. Ensure you obtained your client's consent to a credit search being undertaken and the use of their personal data being transmitted to a third-party lender.