

# Insurance to be paid by monthly instalments...

## Who is involved?

- *Your Broker* – who will submit your insurance application using a software system called *The Source*
- *Source Insurance Ltd* – who will then take care of the administration and put your case on cover with your selected insurer
- *Your selected Insurance Company*
- *Premium Credit Ltd* – who will pay your full annual premium to your Insurer on your behalf; and to whom you then pay back in 12 monthly instalments.

## How does the monthly instalment scheme work?

1. The total annual premium is paid to the Insurer by *Premium Credit* on your behalf.
2. You repay this amount (plus interest) to *Premium Credit* in 12 monthly instalments.
3. The interest rate charged for use of this instalment facility is 11%

The instalment payments are collected by Direct Debit each month and the label "Source Ins Scheme" will appear on your bank statements... regardless of which Insurance Company your policy is with.

Please do not get confused and cancel your Direct Debit mandate because you see "**Source**" on your statement rather than the name of your Insurer. If your policy is cancelled due to non-payment, not only will you be charged to reinstate it, but the resulting break in cover could invalidate any no claims discount.

## What happens next?

A few days after your case is submitted, *Premium Credit* will write to you enclosing a "Running Account" Credit Agreement and a copy of the Direct Debit mandate. Instalment plans such as this are subject to the same Consumer Credit Act requirements as any other credit, hire purchase, or "loan" and so the agreement does have to use the same legal terms.

The Running Account agreement will specify a maximum credit limit in order to accommodate any later premium increases, but only the amount shown on your insurance quotation will be used. (ie. the "loan" amount is simply the value of the annual premium *Premium Credit* pay on your behalf)

The Direct Debit Mandate is for advice only. It doesn't need to be signed.

## Is my monthly payment date fixed?

The first payment will be taken on or shortly after the policy inception date and we have no control over that. However, once that first payment has been made, you can then change your future payment dates to a more convenient time of the month by phoning our Insurance Admin team on 029 2026 5265 or by emailing: [admin@thesource.co.uk](mailto:admin@thesource.co.uk)

## What happens if I miss a payment?

If you miss a monthly payment when due, *Premium Credit* will inform you by letter giving you the chance to make that payment by credit/debit card. Missing a payment will incur an administration charge of £20 for each failed attempt to take payment in addition to any charges your bank may make.

If you fail to make the outstanding payment by the date requested, under the terms of your policy, we have to cancel your insurance immediately. If this happens we will notify you by letter.