



## Recruitment Industry Insurance

### **Guidance Note – Premium funding**

This guidance note is provided to assist you understand your insurance policy in order to reduce uncertainty and give you the information upon which you can make an informed decision when considering your risks and insurance protection.

Further information is available at [www.oamps.com.au/amranz](http://www.oamps.com.au/amranz) or you can contact one of our insurance brokers who specialise in recruitment consultants on 03 9412 1212.

### **What is premium funding?**

Insurance Premium Funding is a well established financing product and is a cost-effective way to spread the lump sum burden of insurance costs.

### **What are the benefits?**

The key benefits of financing your premiums are:

- Frees up cash flow that you would otherwise have tied up in upfront premiums
- Safe, secure funding with no impact on existing banking or credit arrangements
- Interest costs are usually tax deductible
- Fixed rates during the loan period, protecting you from interest rate fluctuations
- It is more affordable for you to take out adequate insurance for your business
- No additional security costs as the insurance policy itself acts as security

### **What does it cost?**

Interest rates will vary depending on the size of the premium and the number of instalments, an example would be:

A loan of \$12,000 with 10 instalments would equate to approximately 8%  
*(the rates will vary and the above example is provided for guidance only)*

### **How to I request a premium funding quotation?**

You should automatically receive a quotation with your insurance invoices and policy documents however you can request a quote at any time from your insurance broker.



Our comments above are for your guidance and should be read in conjunction with the full premium funding contract and any endorsements that apply – January 2010.

