

Costs of A Premium Finance Loan

Be assured that like every financing company in the market place C3 is also looking to make a reasonable profit for providing its services so, interest and an underwriting fee will be charged for each loan made.

When our loan is completed there are recoverable fees and non-recoverable fees associated with our loan. If your client terminates their loan midway, they no longer need to pay any further interest on their full loan amount (recoverable cost). The non-recoverable cost is the underwriting fee we charge to accept and make the loan; usually 1-3% of the loan amount. If termination was made in the first quarter they would also not recover some of their premium down payment of ~25%. Be sure to calculate all costs on your client's loan when determining their total insurance expense.

Since premium finance companies are not federally regulated banks, they are allowed to charge whatever they want within state legal limits. The good news is there are numerous private lenders out there, so the competition keeps them competitive when it comes to loan interest rates and underwriting fees. Interest rates may range anywhere from 9-20% of the amount being financed.

Compensation

Some Insurance Agents/Brokers charge an added fee for arranging the financing, which is an arrangement between them and their client. At this time we do not administer those added fees. However, a referral fee may be arranged in certain circumstances.

By working with our highly experienced and professionally credentialed members, you can rely on a smooth, professional and efficient experience.