

## PREMIUM FINANCING



Premium Assignment Corporation (PAC) is a commercial lines insurance premium finance company. Founded over 50 years ago (1961) in Tallahassee, Florida, we are now the 4th largest premium finance company in the United States. PAC is a wholly owned subsidiary of SunTrust Banks, Inc. a super-regional bank holding company with principle subsidiaries in Alabama, Florida, Georgia, Tennessee, Virginia, Maryland and the District of Columbia. For more information about our parent company, please visit [SunTrust.com](http://SunTrust.com).

PAC is licensed to provide premium financing in all 50 states and the District of Columbia. There are regional offices located in Costa Mesa, CA (West Coast), Dallas (Southwest), Chicago (Midwest), Atlanta (Southeast), East Brunswick, NJ (Northeast), Tampa (Florida), and Tallahassee, FL (National Service Center). Our team of professionals, from our mailroom to our underwriters to our sales force, are all committed to providing the best possible service to our agents and their Insureds. We believe that the level of service that is provided to our clients should be based upon whatever the client needs. Our strong and noteworthy values have defined our success and longevity. PAC's leaders and workforce continue to ensure that our values remain at the core of everything we do.

Premium Financing is a binding agreement between a lender and a borrower, where the lender agrees to pay the insurance premium and the borrower agrees to repay the premium and interest.

- Billions of insurance premium financed in the United States each year
- Policyholder enters into agreement with lender to obtain a loan for their insurance premium/policy(s)
- The policyholder agrees to repay the lender in installments (principal plus interest)
- Collateralized by insurance policy's unearned premium
- Lender is assigned limited power of attorney and has authority to instruct the insurance carrier to initiate cancellation of the insurance policy(s) upon loan default

### How does it work?

- The process is convenient and easy
- Participating insurance agencies provide all the necessary services to obtain a finance agreement
- In order to execute the loan, an authorized representative of the insured must sign the agreement and issue a check payable to the insurance agency for the down payment amount
- When the agreement is accepted by the finance company (lender), the premium is paid; the borrower (policyholder) becomes obligated to the lender to repay the loan and interest
- The first installment is typically due 30 days after the effective date of the policy

### What are the benefits?

- Optimizes Cash Flow
- Working capital is retained and available for investment
- Maintains existing credit lines and does not affect existing credit arrangements
- Creates possible tax advantage (consult your tax professional)
- Provides a means to afford all premiums for full protection
- Highly competitive interest rates due to the short term nature of the loan
- Consolidate premiums of multiple insurance policies under one loan
- Multiple payment methods available including ACH, Fed Wire, Phone or online payment
- Terms are flexible (payment terms can be adjusted if policy holder has seasonal cash flow)
- No penalty for early repayment and interest credited may be applicable

Some insurance agencies have business alliances with several major Premium Finance Companies and may receive a service fee from lenders as reimbursement of actual costs incurred for services provided.