

# KEY FACTS ABOUT CREDIT

## **Things you need to know and consider before entering into a Credit Agreement:**

You should make sure you understand what is involved before entering into the Credit Agreement. Ask yourself the following questions.

### **Is the credit suitable for what I want to use it for?**

The Running-Account Credit Agreement is specifically designed for repayments of insurance premiums and is not suitable for any other use.

It allows you to spread the payment of your insurance premium and related products over a period of time, allowing you to manage your cash flow over the term of your insurance policy.

### **What will it cost me?**

The principal costs of the credit are set out in the Pre-Contract Credit Information document, including details of the repayments, any fees or charges, the total amount you will have to pay and the interest rate. The Pre-Contract Credit Information document also shows you the APR, which may assist you in comparing the overall cost of credit. You should consider whether you can afford the monthly repayments, even if your circumstances change.

### **What special features might this agreement have that I need to be aware of?**

You have the right to repay all or some of the credit early. However, if you wish to do this, you will be charged interest as laid out in the terms and conditions of the agreement.

The insurance policy forms the security for this Credit Agreement and your insurance policy may be cancelled if you fail to meet your repayment obligations.

You have to make your monthly repayments by direct debit. If your direct debit instruction is cancelled and not replaced, we may terminate the Credit Agreement.

The agreement automatically continues if we invite you to renew your insurance policy and repay by direct debit. We reserve the right to refuse to allow you to finance further premiums by using credit provided by, us at any time, for reasons relating to your creditworthiness.

### **What if I am unable to pay my monthly repayment on time?**

Missing payments could have serious consequences. We will report missed payments to credit reference agencies, which may make it more difficult and expensive for you to obtain credit from us and other lenders.

If you fail to make a monthly payment when it is due, for example if you cancel your direct debit instruction, then we may terminate the Credit Agreement. If you do not pay any outstanding balance within the required number of days, then we may also cancel your insurance policy and related products which would leave you without the protection of insurance cover.

### **Can I change my mind?**

You have the right to withdraw from the Credit Agreement up to 14 days after the day on which the agreement is made or you receive a copy of the agreement, whichever is later. To withdraw you must notify us that you intend to do so by telephoning us on 0330 024 0612, or writing to us at Covéa Insurance plc, A&B Mills, Dean Clough, Halifax, HX3 5AX.

### **What if I have more questions?**

If you have any further questions relating to the agreement or the proposed credit, please contact us by telephoning us on 0330 024 0612, or writing to us at Covéa Insurance plc, A&B Mills, Dean Clough, Halifax, HX3 5AX.

