

Payment Holiday

FAQs

Payment Holiday

Our purpose as a business is to support your customers at the most challenging times in their lives, and this remains unchanged. We understand that these are unprecedented times and as the situation evolves, we want to help customers facing financial hardship.

If a customer is suffering from financial hardship, we would always encourage them to contact us or you, as their financial adviser, to explore their options and how we might support them. As part of our response to the impact of COVID-19, customers may be able to take a Payment Holiday*. A Payment Holiday lets customers take a three month break from paying their monthly premiums provided their payments are up to date or provided they've only missed one payment. Customers will remain covered by their policy during this period, subject to their policy terms and conditions.

We'll collect the three months premium due when the payment holiday ends. Their regular monthly premiums will automatically restart at the end of the three months. We'll collect the amount owed around the same time as their next monthly premium. This may show as one payment or two separate payments within a few days of each other, on their bank statements. If the customer prefers, they can contact us at least 16 days in advance and pay the 3 months' premiums using their credit or debit card.

*Eligibility criteria apply

Who is eligible?

To be eligible for a Payment Holiday, customers need to meet the below criteria:

- Have an active Direct Debit
- Your policy started before 1st February 2020 and has more than six months left on the term
- They haven't missed more than one premium payment

Please note policies starting with 'UK' for example 'UK1234567' will not be eligible for a payment holiday.

How will the customer pay back the money owed when the Payment Holiday ends?

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When will the Payment Holiday start?

The Payment Holiday will start from the first payment due date after the customer applies; provided we have 10 days' notice before the next direct debit payment is taken.

If the customer has already missed a payment, the Payment Holiday will start from the date of the first missed premium.

If we're unable to pause the direct debit before the next payment date, we will take the customer's monthly premium amount as normal. The Payment Holiday will start the following month and continue for three months.

We'll send the customer a letter to let them know when their Payment Holiday will start, when their payments will start up again and when we will collect the missed payments.

Can customers still apply for a Payment Holiday if they've already missed a payment?

Yes, customers may be able to apply for a Payment Holiday provided they've only missed one payment and meet our eligibility criteria. They'll need to call us to set up another Direct Debit. The Payment Holiday will then start from the date of the first missed premium.

If they've missed more than one payment they will not be eligible to take a Payment Holiday.

Can the customer choose to begin a Payment Holiday on a specific date?

No, if we agree to a Payment Holiday it will start from the first payment due date after they apply; provided we have 10 days' notice before the next direct debit payment is taken.

Can the customer change their mind after requesting a Payment Holiday?

Yes, if the customer feels they are now able to continue with their premiums as normal, they can change their mind at any time during the three months.

All they need to do is contact us on 0370 010 4080* and we'll arrange that.

* Call charges may vary. For your protection we may record and monitor calls

What if the customer is unable to make payment after the Payment Holiday?

If we're unable to collect all premiums due for this policy after the payment holiday ends, the policy will be cancelled and the cover will end. The customer may be able to reinstate their policy subject to completing health and lifestyle questions as well as paying all outstanding premiums, in line with your policy terms and conditions.

If one of my customers chooses to take a Payment Holiday, will this impact my commission?

If you've received commission on an indemnity basis, it will not be impacted by the Payment Holiday. If the customer cancels their Direct Debit at the end of the Payment Holiday, you will then be subject to the normal claw back process where the cancellation date will be the date of start of the Payment Holiday.

If you receive commission on a non-indemnity or trail basis you won't receive commission payments while the customer is on their Payment Holiday. However, the commission will be backdated when we receive full payment when the Payment Holiday ends.

Can I apply for a Payment Holiday on behalf of my customer?

No, the customer needs to apply to us directly. All they need to do is contact us on 0370 010 4080* and we'll arrange it for them.

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