



Savvas Christoforou
CLU FLMI LUTCF
Chartered Insurer

9 Thiseos Str., Agios Dometios, Office 101, 2365 Nicosia

Tel.: 700 88 88 3, Fax: 22 25 04 06, e-mail: info@insurancelinkcyprus.com

inSurance INSIDER

INSURANCE & FINANCIAL PLANNING REVIEW

Payment of Insurance Premium. What are the changes after January 1st 2018

As of January 1st, 2018, a new directive from the Insurance Supervisory Authority, regarding premium payments, affects yourself, as a consumer, the suppliers (insurance companies), and the intermediaries (agents and brokers). These changes benefit all the above parties and provides transparent procedures, rules and regulations regarding the premium payments.

Premium is the financial cost that you agreed to provide to your insurance company in return for the coverage included in your insurance policy.

«Essentially, the new directive enshrines the rights of the insured, with the obligation of all parties, insurance companies and intermediaries, on the premium he pays... The public will continue to be able to pay their premiums using the same methods of payment as they used to date, such as, cash, check, credit card, standing order, direct debit, etc.»

Below are the four major changes in effect, as of January 1st 2018 due to the Insurance Supervisor's Directive regarding the collection of insurance premiums:

1st CHANGE

All insurance companies must include in the insurance policy

- a. the premium amount
- b. the terms of payment
- c. the consequences in case of non-payment of the premium.

What does the above means for you as an Insured

For you the consumer it means that any payments you made, for policies with effect after January 1st 2018, will be issued in name of the Insurance company. (see 2 below) In the Policy a special condition (memorandum) will be included, stating that if the premium is not paid by



the consumer in timely fashion and in accordance with the instalments agreed with his Agent, then the Policy will be cancelled either automatically or within a specified short period of time.

[like](#) | [connect](#) | [follow](#) | [watch](#)



insurancelink cyprus

Please make sure your premiums are paid on time in order to avoid any surprises, especially after an accident or an unfortunate event!

2nd CHANGE

Payment of the premium in any other way than cash, e.g. check, credit card, is made in the name of the insurance company and not the insurance intermediary's name.

What does the above means for you as an Insured

For you the consumer it means that, for policies in effect after January 1st 2018, will be paid directly to the insurance Company rather than the intermediary (PFA Insurancelink). Additionally if you have policies provided by various Insurance Companies, then for paying the premium, you will have to issue separate cheque for each Insurance Company and you will receive a separate receipt from each company, either



electronically or via your agent/broker which now holds receipt books for each insurance company he/she represents. Please ask your agent/broker before issuing payments.

3rd CHANGE

The proof of payment to be received by the consumer, i.e. policyholder, must be the official receipt of the insurance company.

What does the above means for you as an Insured

For you the consumer it means that you must receive proof of payment issued from an Insurance Company's receipt block and not from the intermediary's receipt block.



Premium Payment Clause

Notwithstanding: any other provision in the Policy the Insured undertakes: that the premium will be paid in full to the Company at the date of the Commencement of this policy or in case of agreement to pay the premium by installments when such instalments of premium are due as specified on the instalment table.

If the premium due under this Policy is not so paid to the Company on the commencement of this Policy and in respect of installment premiums when the relevant installment becomes due, then the company will give 14 days prior notice of cancellation the last known address of the insured. If the premium due is paid in full to the Company before the notice period expires, notice of cancellation shall automatically be revoked. **If not, the policy shall automatically terminate at the end of the notice period.**

4th CHANGE

If the policyholder is entitled to return of premiums, the Insurance company must refund the amount within the first seven working days of the month following the month of the cancellation / change.

What does the above means for you as an Insured

For you the consumer it means that you will receive your refund directly from the Insurance Company and not from your agent /broker (intermediary).

Kind reminder!,

Please make sure your premiums are paid on time in order to avoid any surprises, especially after an accident or an unfortunate event! If the premium is not paid by the consumer in timely fashion and in accordance with the instalments agreed with his Agent, then the Policy will be cancelled either automatically or within a specified short period of time. This will lead to loss of coverage.

For more information please call at 700 8888 3

QUICK TIPS:

1. Always pay your premium on time and if possible when you will receive your insurance policy contract
2. Always ask for an Insurance Company receipt and not one of an agent. (For Policies in effect after 01/01/2018)
3. If necessary, ask for an instalment plan before the inception or renewal of a policy
4. If for any reason you lose coverage or your policy has expired, and such policy is obligatory by law (e.g. car insurance) please refrain from driving the car which will hold you legally liable in case of an accident.

If you want any clarification or have any questions , please feel free to contact me at 22 26 96 46 or drop me an e-mail at savvas@insurancelinkcyprus.com, or fill out the enquiry form below and I will be more than happy to answer you and give you a quotation if you are interested.

Savvas P. Christoforou is a Chartered Insurer and managing director of Insurancelink Cyprus.

