

BMO Premium Financing Snapshot



Qualified Property & Casualty insurance Brokerages benefit from our best-in-class financial solutions and our commitment to your success. The following list of requirements will help you determine your eligibility for BMO Premium Financing.

General requirements

An effective monitoring software program that can produce reports for bank monitoring purposes, including the following:

- Contract number and name
- Effective date and expiry date of contract
- Annual premium amount
- Down payment
- Total amount financed
- Monthly installment
- Year-to-date premium earned
- Outstanding premium balance

A direct electronic funds transfer system for payments.

A well-established banking relationship with BMO Bank of Montreal.

Reporting requirements

Monthly listings (certified by the borrower and brokerage company) of the premium finance contract receivables identifying delinquent accounts and/or those accounts under cancellation/rebate action.

Access to review-level financial statements at a minimum.

Margin financing requirements

Agreement to establish credit as an 'Overdraft Lending Facility'.

Margin advances must remain within 85% of current qualifying insurance premium contracts on which a 20% initial deposit has been paid, less any arrears on any contracts and any cancelled insurance contracts for which the borrower has not been paid for more than 30 days.

Qualifying contracts:

- Contracts originating in the province within which borrower and brokerage are incorporated
- Underwriting insurance company rated by A.M. Best to be B+ or better
- Contract is issued by the associated broker only
- The premium amount per contract is not greater than \$200,000 annually

Conditions

Debt Service Coverage to be maintained at a minimum of 1.25X.



Debt-to-Equity ratio to be maintained at no more than 3:1.

Security requirements

A General Security Agreement, corporate guarantee (e.g. from associated broker) and/or personal guarantees.

Let's connect:

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