

# What is a Settlement Loan?

## Understanding Settlement Loans

A **settlement loan** or **settlement advance** allows you to access part of your injury compensation early. **Described as simply as possible, we lend money that can help with expenses until you receive your payout.** Once you receive your full claim payout, your loans are repaid by the law firm.

Alongside your solicitor our team assesses the estimated value of your motor vehicle accident, workers compensation, or injury claim (*details on more eligible claims below*) to determine the best settlement loan for you. You will receive a loan proportionate to the estimated **strength and value** of your claim.

No repayment is required on your settlement loans until you have received your **full claim payout**.

## Why do I need a settlement loan?

Even after settlement of your compensation amount has been decided, **it takes 8 to 14 weeks to receive your injury compensation payout.** That is 8 – 14 more weeks that you may be living without income. On top of that, insurance companies know that you are under financial stress and will try to have you accept a lower settlement amount.

**Compensation advances help support you financially until you receive your payout.** It also gives your solicitor time to fight for the **best settlement**, instead of accepting a lowball offer because you can't afford to wait.

**The fees on settlement loans are higher than secured loans** (such as car or home loans) **because the outcome of the claim is uncertain.** Therefore, compensation advancements should be used for essential living expenses such as food, housing, and bills, to support you during this difficult time, instead of on luxuries.

## Types of Settlement Loans Available

There are two types of settlement loan available: pre-settlement, and post-settlement.

**Post-settlement loans** are your best option if you can afford to wait.

*Post-settlement* means that an agreement has been reached regarding your claim's outcome and you know the payout amount that you will be receiving. These loans are easy to apply for and have approved, and you can borrow higher amounts. **Post-settlement loans come at a significantly lower cost to you because these loans hold less risk for the lender.** For post-settlements your payout amount has already been determined and it's just a matter of waiting for your claim proceeds to arrive.

We also offer **pre-settlement loans**, which are **ideal for customers who need a small amount while they wait for their claim to process**. The loan is given before solicitors and the insurance company have determined the dollar value of your claim. Pre-settlement advances are a greater risk to the lender and therefore **have a higher interest rate** and **smaller** amounts can be borrowed.

## **Am I eligible for a settlement Loan?**

You are **eligible** for a settlement loan if **your claim is being run through a solicitor or law firm**.

Eligible claim types include:

- ✓ **Work-injury claims for damages**
- ✓ **Motor vehicle accidents**
- ✓ **Historic abuse claims**
- ✓ **Public liability claims**
- ✓ **Total and Permanent Disability (TPD) claims**
- ✓ **Professional indemnity claims**

## **Conclusion**

**Settlement loans relieve financial stress during what is already a difficult time.** They also help buy your solicitors time to fight for your claim and achieve the best possible outcome.

If eligible, **post-settlement loans are the best option** for you and the lender as there is less risk involved. You can borrow higher amounts which will be paid back at a lower interest rate. **Pre-settlement** options are more expensive, but a good option for those who need smaller amounts before settlement.

**Our staff can help you consider all factors and assess your circumstance to determine if taking out a settlement loan is right for you.**

**Applications for finance are subject to approval. Eligibility criteria, terms and conditions apply.**