

# Long Term Agreement

## What is a Long Term Agreement?

**Commonly abbreviated to LTA or LTU**, is an agreement offered to you by an insurer that provides you with a discounted premium at your next renewal, in return for committing to renew your insurance with that provider for a fixed number of years.

## What does this mean?

**A Long Term Agreement** offer means you are provided with a fixed amount of discount, rather than a set premium for the duration of the policy. Your premium will increase slightly each year in line with general rise in costs. *(See Index Linking help sheet for further information.)*

LTA's are usually set for 3 or 5 years. The longer the agreement, the higher the discount.

## What if I don't want this?

As long as you are not currently in a LTA, you can ask your insurer to provide you with a premium without this.

### PLEASE NOTE:

If you enter into a long term agreement with your insurer and do not honour the agreement, you may be liable to pay back the additional discount that you have received over the previous years.

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