

TERMS OF BUSINESS AGREEMENT – INSURANCE BROKING

BROKER INFORMATION

Garratts Insurance Brokers Limited Camden House 2 Camden Place Preston PR1 3JL is an independent Chartered Insurance Broker. We are authorised and regulated by the Financial Conduct Authority (FCA). Our permitted business includes arranging general insurance contracts. Our FCA Register number is 300659. These details can be checked on the FCA's Register by visiting the FCA's website at <http://www.fca.org.uk/> or by contacting the FCA on 0800 111 6768.

THIS DOCUMENT

Please read this document carefully. It sets out the terms on which we agree to act for you, our client, and contains details of our regulatory and legal responsibilities. Please contact us immediately if there is anything in these Terms of Business which you do not understand. By doing business with us you agree to do so on the terms of this document unless we both agree otherwise.

RELATIONSHIPS/OUR SERVICES

As an independent insurance intermediary we act as the agent of our client. We are subject to the law of agency, which imposes various duties on us. However, in certain circumstances we may act for and owe duties of care to other parties. We will advise you when these circumstances occur so you will be aware of any possible conflict of interest.

We have trading relationships with various parties who are Appointed Representatives under FCA regulations. A list of our Appointed Representatives is maintained by the FCA and can be checked on their Register (see above).

We offer products from a range of insurers and service providers and conduct a fair analysis of the market on your behalf. We will provide you with a list of these insurers if you request this. For some products, such as Private Medical Insurance, we only offer one insurer. We will advise you of this when providing our terms to you for consideration.

We will advise and make recommendations for you after we have assessed your demands and needs. This will include the type of cover you seek together with the costs.

Upon receipt of your written or oral instructions we will place insurance with your chosen insurers and keep you informed of the progress of our negotiations. We will assist you in the administration of your insurance contracts or as otherwise separately agreed in writing. We will explain to you the main features of your insurance contracts. In accordance with your instructions we will renew your insurance contracts.

We will advise you of any inability to place your insurance. These are our core services.

We do not offer any advice or insurance protection for certain pure protection contracts such as life, permanent health etc.

At your request, you may speak to a Chartered Insurance Broker.

SECURITY

Insurers are subject to regulation. They are required to have adequate capital resources. We do not guarantee the solvency of any insurer we place business with. An insolvent insurer may be unable to pay a proportion or all of any claim made and you may have to pay a further premium to pay for alternative insurance cover.

POLICY DOCUMENTATION

Policy documentation will be issued to you in a timely manner and as soon as reasonably possible. If an insurer's standard policy wording is substantially different from the rest of the market then we will explain to you the significant differences and draw your attention to any onerous terms. You must comply with the terms and conditions of your insurance policy, especially any terms described as warranties and or conditions precedent to liability. Failure to do so could result in your policy being cancelled and or in a claim or claims not being paid. Your insurance policy may create ongoing duties for you which you must continue to carry out. For example, a duty to disclose any change in circumstance that the insurers may regard as material to the ongoing insurance arrangements, your obligation to notify vehicle changes in accordance with the requirements of the Motor Insurance Database and the disclosure of your Employer Reference Number (ERN) for the Employers Liability Tracing Office. If you do not, insurers may cancel your policy or refuse to deal with any claim or claims and in respect of the Motor Insurance Database you may be liable to prosecution.

Documentation including your policy and certificate (if applicable) will be issued to you after receipt from insurers. In the event of delay, at your request, we could provide you with a specimen or standard policy.

It is our policy to retain documents or copies of documents for business effected on your behalf in electronic or paper format for not less than three years. You must yourself retain certificates of Employers Liability insurance from 31/12/1998 forwards, for a period of 40 years after their expiry date. You should retain records of Employers Liability insurance prior to 31/12/1998 if you can. This is to safeguard your business against claims for industrial disease or illness which may have developed throughout an employee or former employee's working career.

CLAIMS

In the event of an incident which could give rise to a claim you must tell us as soon as possible. If you do not, an insurer may refuse to deal with your claim or reduce the amount that you receive from them. We will provide you with assistance in submitting any claim unless we agree otherwise. We will help you to obtain settlement from insurers unless we agree otherwise. In the event that an insurer becomes insolvent or delays making settlement we do not accept liability for any unpaid amounts.

DUTY OF DISCLOSURE TO INSURERS

For covers inception, renewed or added mid-term on or after 12 August 2016.

Your insurance is based upon the information provided to the insurance company.

Unless you are a Consumer (an individual buying insurance wholly or mainly for purposes unrelated to their trade, business or profession) you must present the risk (i.e. the subject matter of the proposed insurance) fairly. This means that you must disclose to insurers, before the setting up or renewal of your insurance policy is concluded, anything that might influence the judgement of an insurer in fixing the premium, setting the terms or determining whether they would take the risk. If you are uncertain whether anything is material, you should disclose it.

In order to identify what must be disclosed, you are obliged to carry out a reasonable search before presenting the risk to insurers. This includes (but is not limited to) consulting with all senior managers. A senior manager is anyone who plays a significant role in the making of decisions about how your activities are to be managed or organised, regardless of whether or not that individual is a member of your board or is formally in a management role. You must also consult with anyone who has particular knowledge about the risk to be insured.

If you deliberately or recklessly (ie without care) fail to comply with your obligations to present the risk fairly, insurers may avoid the policy. This means they can retain all premiums and treat the policy as if it never existed and refuse to make any claims payments. You could also be obliged to repay any claims payments that had already been made. If you fail to present the risk fairly, but your failure was neither deliberate nor reckless, insurer's response will depend upon what would have happened if you had complied with your obligations:

- a if insurers would not have provided the policy, they may treat the policy as if it never existed, refuse to make any claims payments and demand the return of any claims payments already made. However, insurers would have to return any premium payments already made;
- b if insurers would have provided the policy but on different terms, the policy will remain in force but will be treated as if those different terms applied from the start of the policy. This could result in a claim not being met in part or in full;
- c if insurers would have provided the policy but charged a higher premium, insurers may reduce any payment in proportion to the difference between the premium charged and the premium that would have been charged if you had fairly presented the risk. This could result in a significant reduction to the amount of any payment under the policy.

All statements and facts disclosed on proposal forms, statements of facts, claim forms and other documents should be full, true and accurate and must be given after undertaking a reasonable search, including consulting with your senior management. Where forms are completed on your behalf you must check them for accuracy and completeness before signing them. You must always read the declaration and make sure you understand it before you sign.

PREMIUMS

You must pay the premiums due in accordance with the amounts and payment dates specified on our invoices. In the event that you do not pay when due you will be required to pay interest from that point at a rate equal to the base rate for the time being of Handelsbanken plus two per cent.

When we place private medical insurance for you, payment will be made directly by you to the insurance company.

Failure to meet a payment date could lead to insurers cancelling your policy.

You may choose to pay by instalments. If you use a finance company such as Close Brothers or Premium Credit then this is an independent loan. If, for example, you decide to cancel a policy or your insurer becomes insolvent, you will still be required to make the agreed repayments. (If you do not continue to pay your instalments your insurance may be cancelled.)

We may at our discretion deduct any sum that you owe us from any amounts which we may receive on your behalf including but not limited to claims moneys or premium refunds

If you are owed any premium refund, balances of less than £20 may be held to the credit of your account unless you say otherwise.

HOW WE ARE PAID

We are usually paid by commission paid to us by your insurers or service provider. We may however charge you a fee. The fee may be in addition to commission or partly or wholly instead of commission on a specific policy or a portfolio policies. However when we charge you a fee, this will be identified to you in writing.

If we do charge a fee, this will not cover any work we do in relation to insurance policies which we have not yet incepted or which we are not yet responsible for administering. For work associated with such policies we may be paid via our ordinary method, commission paid by an insurer or service provider, or an additional fee. Any additional fee will be agreed with you and confirmed in writing in advance of us commencing any additional work on your behalf. At the anniversary of a specific policy or portfolio of policies for which a fee was charged our fee will automatically increase by RPI unless otherwise agreed.

For services performed by the insurer, in connection with the insurance contract, we may be entitled to further separate payment from the insurer. Some insurers may separately make payment to us reflecting the aggregate income or profitability of our entire account with them.

Our commission and our fees are earned for the policy period and we will be entitled to retain all commission and all fees in respect of the full policy period in relation to policies placed by us, even if the contract is terminated for any reason and even if you choose to appoint another intermediary in our place during the currency of your policy.

We are not authorised by the FCA to provide investment advice. Where you ask us for assistance in this area we will, with your explicit prior permission, refer you to an external service provider. For any policies that service provider may place on your behalf we may receive a referral fee.

Please contact us if you wish to know more.

STANDARD MINIMUM CHARGES

Arranging New Policies and Renewals:

- £0 - £1500 premium £35
- £1501 - £5000 premium £75
- £5001 - £10000 premium £150
- £10001+ premium £250

Mid-term adjustments £10

Refunds (we refund NET of our commission) £10

Cancellation (we refund NET of our commission) £25

Copy documents £10

CLIENT MONEY

Client money is money that we receive and hold in the course of carrying on insurance broking on behalf of our clients (including you) or money which we treat as client money in accordance with the client money rules. A copy of these rules is available on request.

We hold client money subject to a statutory trust. This means we are not entitled to use client money held on behalf of one client to pay another client's premium before the premium is received from that other client, and cannot pay claims and premium refunds to another client before we receive payment from the insurer. We are not entitled to use client money to pay commissions before we receive the relevant premium from that client.

We keep client money separate from our own money. We maintain a separate client money bank account.

Any interest earned on client money held by us will be retained by us for our own use.

We will not be liable to you for any loss resulting from the failure of any bank holding client money to meet its obligations as a result of insolvency or similar default.

PAYMENT TO THIRD PARTIES

We may transfer client money to another person such as another broker or settlement agent, for the purpose of carrying out a transaction on your behalf through that person. This may include brokers and settlement agents outside of the UK. The legal and regulatory regime applying to a broker or settlement agent outside of the UK may be different from that of the UK. In the event of a failure of such broker or settlement agent, client money may be treated in a different manner from that which would apply if the money were held by a broker or settlement agent in the UK. You should notify us in writing if you do not wish your money to be passed to a person in a particular jurisdiction.

CLIENT MONEY BANK ACCOUNT

Our own client money bank account will be with an approved bank (as defined under FCA rules).

CANCELLATION CLAUSE

Your insurance contract may include a cancellation clause. In the event that you fail to pay your premium by the due date, the Insurance may be cancelled forthwith, or by insurers giving notice of cancellation.

For buyers who are deemed to be “consumers” as defined by FCA regulations, you may have a right to cancel your policy. The cancellation period can vary but is (usually) 14 days from the date on which you receive your policy documentation. You may exercise your right to cancel without giving us any reason. If you do not exercise your right to cancel, the cover will remain in force for the agreed period. If you wish to exercise your right to cancel, you may do so in writing to Garratts Insurance Brokers, Camden House, 2 Camden Place, Preston PR1 3JL or by email to office@garrattsinsurance.co.uk or by fax on 01772 555586.

If the insurance contract is cancelled and no claim has been made, the insurers may return a proportion of the premium to us, less any reasonable costs incurred in providing the cover. Our commission and or fees will not usually be refundable.

TERMINATION

You may cancel these Terms of Business with us at any time. If you do so, we will continue to be entitled to receive any fees or commissions payable. We reserve the right to resign as your broker. If policies are to be cancelled, due notice will be given in accordance with the terms of the insurance policies. We will continue to fulfil any outstanding regulatory responsibilities to you following termination of these Terms of Business.

COMPLAINTS

If you wish to complain to us then please contact Richard Garratt or John Grindley. You can do this by telephone on 01772 555585. You can write to us at Garratts Insurance Brokers, Camden House, 2 Camden Place, Preston PR1 3JL.

We will issue a prompt written acknowledgement of your complaint. We will try to resolve your complaint as soon as possible. Our final response will state whether we accept or reject your complaint. If we reject your complaint, we will state our reasons. If we cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service (the FOS). This does not prejudice your right to bring legal proceedings. You can find more information about the FOS at www.financial-ombudsman.org.uk or by calling them on 0800 023 4567.

A copy of our full complaints procedure is available on request.

FINANCIAL SERVICES COMPENSATION SCHEME

We are covered by the Financial Services Compensation Scheme (FSCS). FSCS provides compensation, subject to type of business and circumstances of claim, where a company is not able to meet its obligations. Insurance advising and arranging is covered for 90% of the claim, without any upper limit. Full details are available from the FSCS at www.fscs.org.uk

MONEY LAUNDERING / PROCEEDS OF CRIME

We are obliged to report to the Serious Organised Crime Agency any suspicion of money laundering or terrorist financing activity and we are prohibited from disclosing any such report.

Claims payments will be made in favour of you.

PRIVACY NOTICE

We will treat all information as private and confidential and in strict adherence with the General Data Protection Regulations (GDPR) and Data Protection Act 2018. The requirement to share data with regulatory authorities etc may continue even if you are no longer a client. We will only retain personal data for as long as required and will take reasonable steps to ensure it remains up to date and secure.

You have a right to obtain a copy of any personal information that we hold about you and this can be requested at any time by writing to us at Camden House, 2 Camden Place, Preston PR1 3JL. No charge will be made for this.

We agree to keep all information provided by you to us confidential, save that you authorise us to:

- a disclose such information to insurers and their agents for the purposes of obtaining insurance quotations for you, placing insurance on your behalf and all other matters relating to your insurances, including arranging of premium finance or the making of claims. This may include obtaining quotations for policies that we have not previously discussed with you but that we feel may be of benefit.
- b share such information with our own insurers and professional advisors on terms that preserve confidentiality or where we are required by law or by order of the court to disclose such confidential information.

However, we will not be bound to keep any information confidential where it is or becomes in the public domain, it was already known to us or becomes known to us independently of you, or if you authorise us to disclose such information.

For our full privacy policy visit www.garrattsinsurance.co.uk

THIRD PARTY RIGHTS

Nothing in these Terms of Business will give any person any right to enforce any term which that person would not have had but for the Contracts (Rights of Third Parties) Act 1999.

LAW AND JURISDICTION

These Terms of Business shall be governed and construed in accordance with English Law and shall be subject to the exclusive jurisdiction of the courts of England and Wales.

TELEPHONE CALLS

Please be aware that telephone calls may be monitored and recorded.

TAXATION

Insurance premiums attract Insurance Premium Tax at the prevailing rate. Engineering inspections and some other services attract VAT at the prevailing rate. Some fees may not have a taxation element at all. If you are VAT registered then the VAT element may be recoverable by you. Insurance Premium Tax is not recoverable.

PROFESSIONAL INDEMNITY INSURANCE

We will maintain professional indemnity insurance in accordance with the requirements of the Financial Conduct Authority (the FCA). The limit of indemnity will be not less than £2 million.

YOUR INSTRUCTIONS

We will use reasonable endeavours to act in accordance with your reasonable instructions. If we are not substantially able to achieve what you want us to achieve or if it is not possible to achieve what you want then we will tell you. We will tell you what we can achieve.

You may instruct us by fax, by email, by telephone or during face to face meetings. We cannot guarantee that your instructions have been received unless we have acknowledged them in writing. We reserve the right to refuse instructions but, if we do, we will inform you. Communications using the Internet are not completely secure and may spread harmful viruses. If you would prefer us not to use emails you must inform us.

Please note that office hours are Monday to Friday 9:00am to 5:00pm. The office is not open for business on statutory ("Bank") holidays and also not open for business between Christmas Day and New Year's Day. There may be delay in responding to instructions if they are received outside of office hours.

We do not ordinarily issue receipts or acknowledgements unless specifically requested by you in writing.

LIABILITY FOR DIRECTORS, OFFICERS OR EMPLOYEES

You acknowledge and agree not to make any claim personally against any employee, director or officer arising out of the work and services provided under these Terms of Business. This clause does not in any way limit or affect our liability to you as set out below.

OTHER SERVICES

Our staff at Garratts Insurance Brokers endeavour to give professional insurance advice. However, their advice and our service to you under these Terms of Business do not take into account Health and Safety Consultancy, or employment law considerations.

We can provide you with access to specialist staff in Health and Safety Consultancy, or employment law advice, at your request. In this event, Specialist Staff will work for you in accordance with a separate and more specific Terms of Business Agreement.

Insurance Broking staff can take instructions from you on Insurance Broking Services only. You must instruct Health and Safety Consultancy or employment law specialists directly. Insurance advice may differ from or conflict with other advice which you may receive. In this event, you need to let us know in order that we can help you deal with any such conflict or difference.

SEVERABILITY

If any part of these Terms of Business is or becomes illegal, invalid or unenforceable then that part shall be deemed to be removed from these Terms of Business and shall not in any way affect the legality, validity or enforceability of the remaining Terms of Business.

WAIVER

Your rights and our rights under these Terms of Business may be waived if specifically agreed in writing by you and us but not otherwise.

GENERAL

Each of our rights or remedies is without prejudice to any other right or remedy we may have whether under a contract or not.

Our failure or delay in enforcing or partially enforcing any provision of a contract will not be construed as a waiver of any of our rights under a contract.