

Terms of Business Agreement

This document details our service and our arrangements for dealing with Your insurance. Please read it carefully and retain a copy for Your records. The English language will be used for all communications, the contractual terms and conditions, and any information We are required to supply to You, before and during the duration of the contract and this agreement shall be subject to English Law (Scottish Law, where issued in Scotland).

The Financial Conduct Authority

The Financial Conduct Authority is the independent watchdog that regulates financial services. Assured Insurance Solutions Ltd is authorised and regulated by the Financial Conduct Authority. Our FCA Register number is 307879. You can check our status at www.fca.org.uk/firms/systems-reporting/register or by contacting the FCA on 0800 111 6768. Our permitted business includes advising, arranging, dealing in and assisting with the placing & administration of General Insurance policies.

Confidentiality and Data Protection

We will treat all Your information as private and confidential to us and anyone else involved in the normal course of arranging and administering Your insurance, even when You are no longer a customer. We will not give anyone else any personal information except on Your instructions or authority, or where We are required to do so by law, or by virtue of our regulatory requirements. We may use information We hold about You to provide information to You about other products and services, which We feel may be appropriate to You. Under the Data Protection Act 1998 You have the right to see personal information about You that We hold in our records. If You have any queries please write to us at our usual office address.

Our Service

We are an independent insurance intermediary, who acts on our customers' behalf in arranging insurance. Our services include: advising You on Your insurance needs; arranging Your insurance cover with insurers to meet Your requirements; and helping You with any ongoing changes You have to make. As part of our service, We will assist You with any claim You need to make and tell You what Your responsibilities are in relation to making claims.

We will not provide You with any advice in relation to policies purchased solely through our Website and You will need to make Your own decision on the suitability of any such product.

Our Service in relation to the provision of Premium Finance

We are authorised as a credit broker. We only offer the credit facilities of insurers and/or Close Brothers Premium Finance and We will not provide any advice on the suitability of credit facilities to Your needs. We may use providers who will conduct a credit check, which will be recorded on Your credit record. **Please contact us if You do NOT consent to a credit check being undertaken**, however this may affect our ability to offer instalment facilities to You.

Please Note: Your policy cover will cease if You fail to keep up payments on an instalment agreement or premium finance facility related to it and Your credit rating may be affected. In entering into a credit agreement to pay Your insurance premium, You give the finance provider the legal Right to cancel Your insurance policy on Your behalf in the event that You default on the loan, and offset any refunded premium against the outstanding amount owed to them. This means that if You default on Your payment terms and the finance provider requests that We cancel Your policy, We will do so as Your agent.

Information on how We treat Payments You make to Us

Under the terms of our agreements with the Insurance companies with whom We place business, We receive premiums You pay to us as Agent of the Insurer. We do not pay any interest on premiums held by us in the course of arranging and administering Your insurance.

Payment Options

We normally accept payment by cheque or credit/debit cards. You may be able to spread Your payments through insurers' instalment schemes or a credit scheme, which We have arranged with an established insurance premium finance provider, however rates and acceptance may be subject to a credit check. We will give You full information about Your payment options and the appropriate finance agreement when We discuss Your insurance in detail.

Are We covered by the Financial Services Compensation Scheme (FSCS)?

We are covered by the Financial Services Compensation Scheme (FSCS). For Commercial customers with less than £1m turnover, insurance advising and arranging is covered for 90% of the claim, without an upper limit. All compulsory insurances (for example, motor insurance and employers' liability insurance), insurance advising and arranging are covered for 100% of the claim, without an upper limit. Further information about compensation scheme arrangements is available from the FSCS.

Our Fees and Charges for the services We provide to You

We usually receive a commission from the insurer with whom We place Your business and, in addition, We normally make the following charges to cover the administration of Your insurance:

New policies and or Renewals	£
Mid term adjustments	£10

Mid term cancellations and other refunds are refunded NET of commission.

We may, in addition, charge a £10 administration fee.

Payment by Credit Cards	2%	Debit Cards	£ NIL
-------------------------	----	-------------	-------

Occasionally We may arrange a policy on which We earn no commission and in these cases We will advise You of the arrangement fee before You take the policy out. **We may also make additional charges specific to the arrangement and servicing of certain policies, but these will always be advised to You in advance.**

What to do if You have a complaint

Our aim is to provide a first class service, however, if You wish to register a complaint, please contact us **by writing** to John Howcroft A.C.I., Assured Insurance Solutions Ltd, 2 Townend Road, Ecclesfield, Sheffield S35 9YY, or, **by phone** Telephone 01142 571671, **by fax** 01142 402938.

If You cannot settle Your complaint with us, You may be entitled to refer it to the Financial Ombudsman Service, for an independent assessment and opinion. The FOS Consumer Helpline is on **0800 023 4567** and their website is at: www.financial-ombudsman.org.uk Or you can contact them by post at: Financial Ombudsman Service, Exchange Tower, London E14 9SR

Cancellation of this Agreement

This agreement will remain in force unless cancelled by either party in accordance with the terms below or You have no insurance business placed through Us. You may cancel the agreement at any time, subject to notification in writing to our usual office address. In the event of cancellation, We shall be entitled to retain any commissions and fees earned prior to the date of cessation of the agreement in full. We have the right to cancel this agreement subject to one month notice in writing to your last notified address.

Claims

All incidents which could lead to a claim must be reported as soon as practicable. Your insurer's claims contact number is shown in Your policy.

Sums Insured and Indemnity Limits

You will be responsible for ensuring that all sums insured and indemnity limits are adequate for the cover requested. We will advise You of the basis of calculation for sums insured and will, on request, give You details of external experts, such as surveyors and valuers, which You may wish to consult. The following information on calculating business interruption sums insured is given for guidance, but you should always seek specific advice from us if you are in any doubt as to what should be included.

Business Interruption / Loss of Profits Insurance

Several types of cover exist; Gross Profit basis (usual for manufacturers, retailers etc); Gross Revenue basis (normally for consultants, professions); and Increased cost of working basis, for businesses that believe there would be no loss of profit or revenue in the event of a claim, but would need to cover increased trading costs until the claim is settled.

'Accounting Gross Profit' and 'Insurance Gross Profit' are not the same thing. Where your policy includes this cover, the Sum Insured for 'Gross Profit' should normally be calculated using the following method:

Annual turnover *plus* year-end stock and work in progress; *less* opening stock (and work in progress) and purchases, bad debts and uninsured variable expenses (such as the purchase of raw materials or shipping costs)

Gross Revenue insures the total turnover without deductions and Increased Cost of Working is based on projected additional costs of temporary relocation and other forecast additional costs.

Business interruption sums insured should then be adjusted to take into account the indemnity period (eg. doubled for 2 years indemnity period)

Average

In the event of under-insurance, Insurers may reduce the amount of any claim settlement in the same proportion as the sum insured bears to the total value of the insured items.

IMPORTANT: SEE DECLARATIONS OVERLEAF

DECLARATIONS

Our Service and Obligations to You:

We will conduct a fact-find to evaluate Your insurance needs with the member of Your business that You choose to nominate as Your Insurance Contact (as stated below), who will be responsible for ensuring that Your disclosure obligations to insurers are met.

We will act as Your agent in sourcing a policy to meet Your demands and needs and presenting the information provided by Your nominated Insurance Contact in a manner which is clear and accessible to insurers. Where we operate under any delegated authority from insurers we will act as their agent when issuing cover and in handling any claim you may make, and We will always advise You where this is the case.

We will advise and make a recommendation for You after We have assessed Your demands and needs. Our advice will be confirmed in a demands & needs and suitability statement, giving the reasons for Our recommendation.

We typically offer advice from a range of insurers, representing a fair analysis of the market, which means that We will have compared products from a sufficiently large range of insurance providers in terms of cover, price, quality of service and other relevant features in order to select appropriate policies for You. However, under certain circumstances We may only deal with a limited panel, or single insurer or We may use another, specialist, intermediary to access the insurance product that most suits Your needs. We will always inform You where this is the case.

We usually receive a commission from the insurer and premium finance provider with whom We place Your business and, in addition, We will normally make the charges as shown in our Terms of Business Agreement to administer your policy. Prior to the conclusion of each insurance contract, or upon renewal, We will remind You of Your right to be advised of the level of commission which We receive from underwriters. You are entitled, at any time, to request information regarding any commission which We may have received as a result of placing your insurance business.

The member of Your business nominated as Your Insurance Contact is:

Please contact Us immediately if You wish to change the person in Your business nominated as Your Insurance Contact

Signed: *John Howcroft A.C.I.I* **on behalf of Assured Insurance Solutions Ltd**

Your Responsibility to Provide Information:

You have a duty under the Insurance Act 2015 to make a fair presentation of the risk to insurers. This duty applies when You take out Your insurance cover, throughout the life of Your policy, and when You renew Your insurance.

This duty includes a need for **Your nominated Insurance contact** (above) to undertake a reasonable search for *material information* which is known, or ought reasonably to be known, **by anyone playing a significant role in making business decisions in Your business (such as Your company's principals, directors, senior management or shareholders) and staff responsible for arranging or administering Your firm's insurance.**

You should advise Us of any particular concerns which led You to seek insurance cover and any special or unusual facts relating to the risk.

You must ensure that all *material statements* of fact are substantially correct and not misleading, and any *material information* which is a matter of expectation or belief (eg. an estimate or forecast) is provided in good faith.

Failure to disclose any material information or change in circumstances to Your insurers which could influence the cost, or their decision to accept Your insurance, could mean that Your policy could be invalidated or cancelled without refund, or that part or all of a claim may be not be paid. **'Material Information or changes in circumstances' could include Your inability to comply with any conditions or warranties applicable to your policy, which should be notified to Us immediately.**

'Material statements' and *'material information'* are information which could influence the judgement of a prudent insurer in determining whether to take on a risk and on what terms.

I understand and accept your Terms of Business and the Information provision requirement above

Signed:

on behalf of «NAMET1S»

Dated

Client No. «CUSTOMERNO»

What difference does the Insurance Act make to me?

You have always had a duty to disclose all **Material Facts** but the new Insurance Act changes this requirement to a **Fair Presentation of the Risk** which means that, **in addition** to carefully answering any and all questions, you need to advise us of all the information an underwriter might need to evaluate the risks in your business and quote relevant acceptance terms and the premium.

Crucially, **the Act increases the number and range of people that are ‘caught’** by this new requirement and **you will need to ask**, not only your Directors and Principals, but major shareholders and Senior Managers within your business **to disclose** criminal convictions, previous liquidations and bankruptcies, county court judgements and other adverse financial issues, as well as disclosing similar issues for **the company** itself that have or could in the future, affect the **integrity or reputation** of your business. This is called a **Reasonable Search** under the Act and would also include material information about your company which might be held by the company’s professional advisers, such as **accountants and solicitors**.

You know your business and the risks that your business faces. **The underwriter does not** know your business, but he is expected to have some general knowledge about the trades he writes insurance for, so you must **make clear the things that he doesn’t know**. This could be things specific to your business that increase the risk of a loss occurring; the processes or practices that make your business different (your USP); or your **future plans** for the business.

Fair Presentation of Risk also requires that you ensure **sums insured, indemnity limits** and any other figures, such as wageroll or profit figures **are accurate** and provided **in good faith** and, although we cannot value your property for you, we will advise you of the basis of calculation for sums insured and will, on request, give you details of external experts, such as surveyors and valuers, whom you may wish to consult.

Taking the time and effort to gather this information will enable **us to assist you** in preparing a presentation to insurers in a **clear and accessible** form. You must **ask us if you don’t understand** any questions asked of you, or if there is any **information that we provide to you** which you feel is unclear. The changes in disclosure requirements mean that there is a greater breadth & scope of information that you need to provide if we are to obtain cover to **protect your business** and provide you with **peace of mind** that you are properly covered.

There are pros and cons to the new Law, but simply put, if you tell your insurer everything they need to know and comply with the terms of your policy, then they will have to pay your claim.

Because this is a new piece of Law, as your Agent, we need to help to **make you aware** of the change and **understand the increased disclosure requirements**. That is the reason for this briefing notice, and also the reason we are asking you to **sign our Terms of Business Agreement** confirming that you understand your new obligations and **naming the contact within your business** who will take on the responsibility for ensuring that your disclosure obligations are being met.

The positive side of the Act is that, if you have given the insurer all of the information required, then you should receive fairer treatment in the event of a claim.

If, despite your best efforts, something arises to suggest that the risk presentation to underwriters was not fair, as long as you were not reckless* or deliberately withheld information in the presentation, Insurers will now have to consider whether the change in information would have affected the premium, terms, or their decision whether to accept the risk.

Previously such incidents would have invariably led to the policy automatically being cancelled, even if the information was unrelated to the loss, but under the Insurance Act a range of proportionate remedies will apply, which means;

- if they would have charged a higher premium, then your claim would be reduced in proportion to the amount paid;
- if they would have applied different terms, then those terms will apply back to the inception of the policy;
- if they would have refused to offer insurance, then your policy would be cancelled and the premium refunded to you

BUT, if the non-disclosure would not have affected their decision to insure you, and the rate and terms would have remained unchanged, then your claim will be paid in full.

*Reckless means you didn't check information when giving it, and fraudulent (deliberate) non-disclosures will still enable the insurer to, not only void the policy, but also to keep the premium you have paid, so it is important that you make sure that all material information and facts are properly and clearly disclosed.

The customer's position is also generally improved in the event of a claim in which a totally unconnected warranty or policy condition has been breached

The position on warranties is also changed under the Act to achieve a fairer outcome and, although you must still comply with these strict conditions throughout the policy term (and advise us or the insurer if at any time you are unable to do so!), a claim would only be refused if the breach of warranty affected the risk of the loss occurring, in the circumstances in which it occurred. This is an improvement on the previous legislation which permitted insurers to void the policy for any breach of warranty.

However, breach of a warranty which IS related to the loss, such as failure to set a burglar alarm under an alarm warranty in which the burglary may have been prevented had the alarm been operating, would still mean your claim would not be paid. Under these circumstances, the cover related to the breach of warranty would be suspended so that the claim is not covered, however when the breach is remedied (i.e. the alarm is reactivated) cover would be reinstated from that point.

Insurers will also have to pay claims promptly

Another improvement is that, from May 2017, Insurers will have a legal obligation to pay claims promptly or suffer possible damages claims. This doesn't prevent an insurer from properly investigating a claim, but does mean that other delays should be minimised.