

TERMS OF BUSINESS AGREEMENT

Please read this document carefully. It sets out the terms on which we agree to act for our clients and contains details of our regulatory and statutory responsibilities. This agreement will supersede any agreement previously in force. Please contact us immediately if there is anything in these terms of business, which you do not understand or with which you disagree. If you wish to reject them then you must do so in writing within 14 days of their receipt. Please return a signed copy of this document as your acceptance but failing receipt, these Terms and Conditions will still apply in all our dealings with you.

Definitions

A Retail customer means an individual who is acting for purposes which are outside of their trade, business or profession and a Commercial customer means anyone who is not a Retail customer. Reference to 'you' means the Insured and/ or their Appointed Agent whoever is the most appropriate party 'we' we and 'us' means Alan & Thomas Insurance Brokers Ltd.

Authorisation

Alan & Thomas Insurance Brokers Ltd is authorised by the Financial Services Authority (FSA). The FSA is the independent watchdog that regulates financial services. Our FSA Reference number is 304239.

We have been given the following permissions by the FSA:

Advising on non investment insurance contracts
Arranging (bringing about) deals in non-investment insurance contracts
Making arrangements with a view to transactions in non investment insurance contracts
Dealing in non-investment insurance contracts as an agent
Assisting in the administration and performance of a contract of insurance.

The above information is available to check on the FSA's Register by visiting their website www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234.

Ownership

Alan & Thomas Insurance Brokers Ltd has no direct, or indirect, holding in any insurer. Nor does any insurer have any direct, or indirect holding in Alan & Thomas Insurance Brokers Ltd

Explaining our service

In arranging general insurance for our customers, we act on your behalf as an independent insurance intermediary.

In relation to the general insurance products we offer, we can provide advice, or information:

on the basis of a fair analysis of the market; or
from a limited number of insurers; or
from a single insurer.

We always offer advice or information on a basis of a fair analysis of the market (a); unless it is not possible to do so. If this is applicable we will explain this to you.

Before your insurance contract is concluded, you will be provided with a statement setting out your demands and needs, which will confirm whether we have made a personal recommendation and, if so, explaining the reasons for our recommendation. This statement may be incorporated within other insurance documentation.

If you request it, or if you require immediate insurance cover, we will give you this information verbally but, in any event, we will still provide you with the statement immediately after conclusion of the insurance contract.

Upon receipt of your instructions we will place insurance with insurers and keep you informed of the progress of our negotiations.

We will advise you of any inability to place your insurance.

To avoid misunderstandings, it is helpful if you provide written instructions by letter fax or email. In urgent cases, we will of course take verbal instructions but we would recommend that these should be confirmed in writing.

Your duty to disclose material information

It is your duty and responsibility to provide complete and accurate information to insurers when you take out or renew an insurance contract. In addition if during the term of your insurance contract there are any changes to your circumstances which could affect the insurer's assessment of the risk please let us know immediately. Failure to disclose material information or any inaccuracies in the information given, may lead to serious consequences and your insurance contract could become void or affect any potential claim on the contract. Where forms are completed or partially completed on your behalf, you should check them for accuracy before signing. If you are in doubt as to whether a fact is relevant, you should disclose it and then ask for guidance.

It is our policy to retain records for business effected on your behalf, for a minimum of 3 years after expiry and otherwise as required by law. It is possible that a claim may be made under some types of insurance cover long after the policy's expiry date and it is therefore important that you keep such documents safely. You are required, for example, to retain details of your Employers Liability Insurance for 40 years under the requirements of the Employers Liability (compulsory insurance) Regulations 1998.

Quotations

Quotations are valid only on the date provided unless otherwise advised. Quotations will be confirmed in writing on request. Specimen policy wordings are also available upon request.

Policy Documentation

Policy documentation will be issued to all customers in a timely manner. Your policy documentation will confirm the basis of cover and provide details of the insurers.

Mid-term changes to your policy

If you need to make any changes to your insurance cover during the period of your policy (mid-term changes), please contact us immediately so that we can advise your insurers and obtain their approval. We may also need to seek further information from you. We will confirm the revised terms for cover to you in good time following receipt of your instructions.

Renewal of your insurance

Where payment for the contract you have undertaken is by regular instalment, for example by direct debit, you give your consent to the contract being automatically renewed, without further reference to you, at the renewal date. This means that insurance will continue to be provided to you, and you will be obliged to continue to pay for such insurance, unless you specifically contact us prior to renewal date to notify us that you no longer require such insurance.

We will approach you for renewal information in good time before expiry of your policy to be able to approach existing or alternative insurers. We will then provide renewal terms and advise you of any proposed changes to the terms of the policy and its price.

Please remember that the duty to disclose all material information applies for any alteration, extension or renewal of your insurance contact.

Remuneration

Our remuneration in respect of the services we provide to you will be charged as brokerage or a commission or alternatively as a fee.

In the case of brokerage or a commission the amount of this will be agreed between ourselves and your insurers as a percentage of the premium chargeable.

In the case of a fee, we will negotiate directly with you as to the services we will provide for the fee and provide a statement showing the amount and the purpose of the charges made.

Apart from earning brokerage or a commission or a fee, we may also benefit from other remuneration generated from:

The management of cash balances in accordance with Section 10;

Arrangements with insurers to provide administration and support or other services including where we act as agent for insurers;

Our relationship with other companies whether or not identifiable to any specific client or account when our clients determine they wish to benefit from services provided to those companies. This includes referral payments from Premium Finance Companies.

Such remuneration is only earned on the basis that it does not in any way detract from or conflict with our acting in your best interest which is paramount at all times.

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.

Payment Methods

We accept payment by cheque, debit or credit card. However, you may also be able to spread your payments through instalments or a credit scheme. There will usually be a charge in paying by instalments and full details will be provided if you select this option. Failure to meet the payment date may lead to insurers cancelling your policy. In addition we reserve the right to initiate cancellation or lapsing of policies where payment is not received, or where defaults on a credit agreement occur.

We will give you full details about your payment options when we discuss your insurance in detail.

Consumer Credit Act

We are registered under the Consumer Credit Act, Licence No 4514651

Cancellation Rights

Retail Customers

You have the right to cancel a policy within 14 days of its inception or upon receipt of the policy documentation whichever is later. You may as a Retail customer and without providing a reason, cancel the policy by confirming this in writing to the address of our office through which your policy was placed. Any policy documentation and in particular any legal document, i.e. Certificate of Motor Insurance, Employers Liability Certificate must be returned with your instruction to cancel. By exercising your right to cancel the policy, you are withdrawing from the contract of insurance. If you exercise your right to cancel the policy, you will receive, no later than 30 days from receipt of the cancellation notification, any sum which you have paid for the policy, apart from an amount to cover the time you have been on risk (including Insurance Premium Tax) and any relevant administration cost incurred by both your insurer and us. These cancellation rights do not apply to a travel and baggage policy of less than one month's duration, or to a policy for which the performance has been fully completed by both parties at your request before you exercise your right to cancel. If no premium has been paid, then a time on risk premium (inclusive of IPT) including any relevant administration costs may be charged.

Commercial Customers

As a Commercial customer you do not have the same rights as a Retail customer. Please see Short Period and Cancelled Policies, below.

Short Period and Cancelled Policies

If you wish to cancel your policy then you will need to return the Policy Document and current Certificate of Insurance (if applicable) and confirm your cancellation instructions in writing. Subject to no claims having occurred and the cancellation terms of your policy, refund of premiums may be given, less any outstanding balance of premium. Insurers may impose penalty charges in the event of cancellation particularly in the first period of cover (a Short Period policy) and in some circumstances; there may be no refund due. Details of applicable cancellation terms and charges will be found in your policy documents. Cancellation return premiums will be subject to deduction of returned commission.

Client Money

Client Money (General)

Client money is money of any currency that we receive and hold in the course of carrying on insurance mediation on behalf of our clients. Alan & Thomas Insurance Brokers Ltd is governed by strict rules pertaining to Client Money, set down by our Regulator, the Financial Services Authority. We may operate one, or more, of the following types of account. Any interest earned on Client Money held by us and any investment returns on any segregated designated investments will be retained by us for our own use, rather than paid to you.

Client Money (Non-Statutory Trust)

Alan & Thomas Insurance Brokers Ltd holds its clients' monies in a Client Account with National Westminster Bank plc from which it may make advances of credit for, for example, premiums, claims and refunds of premiums. We act as Trustees of our clients' monies and must meet certain legal and regulatory conditions. We may transfer client money to another person, such as another broker or settlement agent, for the purpose of effecting a transaction on your behalf through that person.

Client Money (Holding money as an agent)

Alan & Thomas Insurance Brokers Ltd acts as an agent for various insurers for the collection of premiums and payment of claims and refunds of premiums. This means that premiums are treated as being received by the Insurer when received or in our bank account and that any claims money or premium refund is treated as received by you when it is actually paid over to you. There are occasions where such transactions are restricted (for example, to receiving premiums only) and we will tell you if this is the case.

We may hold both insurer and Client money in the same bank account but when this happens insurers will have previously agreed that any claim by you on monies that are Client money will come before their claim.

Claims

We will administer your claim fairly and promptly. You must notify us as soon as possible of any claim you have or of any circumstance that might give rise to a claim from you. (Most insurance policies require prompt notification of claims or claim circumstances or occurrences as a condition of the cover and some may specify a time period or format for notification.)

If in relation to a particular claim, an insurer declines cover, delays settlement or becomes insolvent, we will inform you and seek instructions. We will not accept liability for any unpaid amounts due from insurers.

We will remit claims payments to you as soon as possible after they have been received on your behalf.

We reserve the right to charge a reasonable fee for our services if you cease to be our client, but wish us to handle claims on your behalf and we agree to do so.

Conflicts of Interest

Occasions can arise where we, or one of our other customers, will have some form of interest in business, which we are transacting for you. If this happens, or we become aware that our interest or those of one of our customers conflicts with your interests, we will inform you and obtain your consent before we carry out your instructions.

Duty of Care and Confidentiality

We are registered with the Data Protection Registrar. We will ensure that any information obtained from you is treated as Private and Confidential by us and anyone else involved in arranging, considering to arrange or managing your insurance. We will not provide your information to anyone else unless we:

Have your permission to do so or

Are required to by the FSA or

Are required to do so by law or

Are required to do so in the normal course of arranging or negotiating or maintaining or renewing your insurance or in connection with claims matters or other services we may provide to you.

We may provide your details to other suppliers of financial services products whom we may from time to time, approve. If you do not wish this to happen then please tick or cross the box below when returning the signed document.

We will keep records of all our business transactions for a minimum period of three years. We will treat all our clients' records as confidential even when they are no longer a client.

Under the Data Protection Act 1998, you have the right of access to your personal records held on our files. This may incur a small administration fee and we will tell you what the fee is if you ask for a copy of your information.

Insurer Security

We will provide you with details of insurers we are recommending or using to insure your risk. While we cannot guarantee the solvency of any insurer, underwriter or wholesaler or its ability to meet policyholder obligations, we do use our reasonable endeavours to protect the interests of our clients by reviewing and monitoring the suitability of all insurers we use.

Liability for the premium, whether in full or pro rata, may arise under policies where a participating insurer becomes insolvent. An insolvent insurer may also be unable to meet a proportion of all or any claims made.

We use both UK and overseas insurers to obtain the best cover terms available for our clients. It should be noted that a different legal and regulatory regime may apply for non-UK insurers so your ability to enforce your legal rights or seek compensation may vary. However, the final decision on the suitability of an insurer does rest with you. If you have any concerns about the insurers we are using to provide cover, please contact us immediately.

Responsibility for Cover

It is your responsibility to read all documentation upon receipt, and raise any query you may have regarding it. You are reminded that it is your personal responsibility, under the Road Traffic Act, to ensure before using or permitting the use of a vehicle on the public highway, that you are in possession of a current valid Cover Note or Certificate of Insurance.

Complaints and the Financial Services Compensation Scheme (FSCS)

The FSA regulates sales, advisory and service standards to make sure that general insurance customers are treated fairly.

Alan & Thomas Insurance Brokers Ltd are committed to providing you with a high level of customer service at all times. We regard complaints as a very sensitive area and a key measure of our customer satisfaction. It is our policy that all complaints are dealt with as quickly and fairly as possible. Should you have any complaints about the service provided, please contact our Compliance Officer in writing or by telephone at:

Alan & Thomas Insurance Brokers Ltd
99 Holdenhurst Road
Bournemouth
Dorset
BH8 8DY

Tel: 01202 652999

If you cannot resolve your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service. We enclose documentation detailing our Complaints Procedure.

We are covered by the Financial Services Compensation Scheme (FSCS). If you are an eligible claimant, broadly a private individual, a business with an annual turnover of under £1 million, a charity with an annual income of under £1 million or a trust with net assets of under £1 million then you will be entitled to compensation from the FSCS if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

Insurance advising and arranging is covered for 100% of the first £2,000 and 90% of the remainder of the claim, without any upper limit. For compulsory classes of insurance such as employer's liability, insurance advising and arranging is covered for 100% of the claim without any upper limit.

Further information about compensation scheme arrangements is available from the FSCS at www.fscs.org.uk.

Termination of this agreement

This agreement may be terminated by either one of us giving 30 days' notice in writing to the other. If our services are terminated by you, we reserve the right to retain any fees or brokerage received or to claim any that may still be outstanding.

Governing Law and Jurisdiction

Alan & Thomas Insurance Brokers Ltd undertakes its activities as an insurance intermediary in accordance with the laws of England and Wales. Any disputes will be governed by and construed in accordance with the laws of England and Wales and subject to the exclusive jurisdiction of the courts of England and Wales.

Please contact us immediately if there is anything in these terms of business that you do not understand or with which you disagree. If you have any questions, please advise your usual contact in the first instance who will be pleased to assist you.

Acceptance

Name of Signatory

Position of Signatory (if a business)

Company Name (if applicable)

Signed

Dated

I do not wish you to pass on my details.....
(Please place a tick or cross in the box, if you agree with this statement)

What to do if you wish to complain

Alan & Thomas Insurance Brokers Ltd aim to provide customers with a professional service at all times. We strive to continually seek ways of improving our procedures and constantly review our service standards to ensure that we achieve this objective.

However, in the event that our service does not meet your expectations we ask you to make a complaint to us by contacting our Compliance Officer (or in their absence our Office Manager), either by telephone or in writing.

We will handle your complaint fairly, and as part of our quality procedures, we will use it to maintain and improve our service.

We will formally acknowledge your complaint within five business days of its receipt and explain how we will handle it.

We will try to resolve all complaints as promptly as possible. If, however, in exceptional circumstances it has not been resolved within four weeks of the date the complaint was received, we will send you a letter explaining this. If the complaint is not resolved within eight weeks from the date of its receipt we will write explaining that we are not in a position to make a final response. We will give reasons for the delays and indicate when we expect to be able to provide a final response.

If you are an 'eligible complainant'¹ as defined by the Financial Services Authority, we will advise that you may refer the matter to the Financial Ombudsman Service (FOS) and we will enclose a copy of the FOS explanatory leaflet within our initial acknowledgment letter. The leaflet, entitled "Your complaint and the Ombudsman", outlines full details of the eligibility to refer a complaint.

The FOS cannot consider a complaint if contacted:

Less than eight weeks after the date the complaint was received and a final response has not been given;

More than six months after the final response; or

More than six years after the event being complained about occurred

Please be assured that we do not restrict our internal complaints procedure to 'eligible complainants' as our priority is that all our customers receive a high level of service.

¹ Definition – Eligible Complainant

Those eligible to refer a complaint to the Financial Ombudsman Service are:

- 1 A private individual
- 2 A business which has a group annual turnover of less than £1m at the time of the complaint
- 3 A charity, which has an annual income of less than £1m at the time of the complaint.
- 4 A trustee of a trust, which has a net asset value of less than £1m at the time of complaint.