

## 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. These Terms and Conditions will apply in all our dealings with you.

### **Definitions**

A Consumer 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 Consumer. Reference to 'you' means the Insured and/or their Appointed Agent whoever is the most appropriate party 'we' and 'us' means Alan & Thomas Insurance Group.

### **Authorisation**

Alan & Thomas Insurance Group is a trading name of Alan & Thomas Insurance Brokers Ltd which is authorised and regulated by the Financial Conduct Authority (FCA). The FCA is the independent watchdog that regulates financial services. Our FCA Reference number is 304239.

We have been given the following permissions by the FCA:

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 FCA's Register by visiting their website [www.fca.org.uk](http://www.fca.org.uk) or by contacting the FCA on 0800 111 6768.

### **Ownership**

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

### **Limit of Liability**

This clause restricts the amount that may be recoverable as a result of our negligence. Other than injury or death of any person (that no cap on liability will apply), our liability to you for the services we provide shall not exceed £10 Million in connection with any one event or connected event.

### **Our service to you**

We act both as agent of insurer, and on behalf of you, the customer. We have in place management controls to deal with any conflicts of interest that might arise. Unless we advise you otherwise, we are acting on your behalf.

We act on behalf of insurers when collecting premiums under risk transfer and when placing business under a delegated authority scheme.

We will advise and make a personal recommendation for you after we have assessed your needs. In some circumstances, a product may be offered to you on a non advised basis with no personal recommendation. We will, however, provide sufficient information to enable you to make an informed decision as to whether the product is suitable for your needs. The documentation will make it clear whether the sale is provided on an advised or non-advised basis.

Our service includes arranging your insurance cover with insurers to meet your requirements and helping you with any ongoing changes you have to make. This also includes assisting you if you need to make a claim.

If we use the services of another intermediary to place your insurance, we will advise you of the name of the intermediary we use and the name of the insurer.

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.

### **Whose Products do we offer?**

We offer products from a wide range of insurance companies.

Our selection usually involves presenting to a reasonable number of insurance companies that will insure the risk at hand and this is called a fair analysis of the market.

Sometimes we may only approach two or three insurers and this is a limited panel, or in some cases, we may only approach one insurer. In either case, we will tell you the basis as part of our sales process. You can also request a list of the companies that form the Panel we have approached.

### **Additional Services**

We also provide additional services such as risk management assistance. Please note that these services are not regulated by the Financial Conduct Authority. In addition these services do not benefit from the protection offered by The Financial Ombudsman Service or the Financial Services Compensation Scheme.

### **Your duty to disclose material information**

It is important that you understand your duty to provide all materially important information, fully, completely and accurately to us and your insurers not only when you take out your insurance but also throughout the life of your arrangement, at the annual renewal or at any other time when changes occur.

Materially important information is any information that could influence an insurer's decision to accept your risk including the cost of your insurance. For example, details of previous insurance claims that you have made or reported, personal information about you such as Criminal convictions (you have a duty to give this information even when the insurance relates to a business and not you) and general information about the risk such as the construction of a building (for example, concrete floor, timber frame with brick, stone and a slate roof). If you are not sure how much information to provide or do not understand the questions, please ask.

The reason why this is vital and extremely important is that if you fail to tell us or the insurer something, the policy will leave you with no insurance protection; insurers will not pay any claims and will cancel your policy. You will find it difficult to re-arrange cover because you did not tell an insurer everything and you will have to disclose this fact when you reapply for insurance.

### **Awareness of policy terms – IMPORTANT INFORMATION**

When a policy is issued, you are strongly advised to read it carefully, as it is that document, the schedule and any certificate of insurance that is the basis of the insurance contract you have purchased. The policy may contain a number of warranties and / or conditions precedent. You must comply strictly with these otherwise the insurer may not pay a claim and your policy may be cancelled even if there is no connection between a breach of these terms and the cause of the loss.

Warranties are not always referred to as such within a policy schedule. They may be referred to as conditions, endorsements, special terms as well as warranties. It is important that you look out for these and if you have any doubt about a particular statement, please ask us for advice.

**FAILURE TO COMPLY WITH WARRANTIES AND / OR CONDITIONS MAY LEAVE YOU WITHOUT ANY COVER IN THE EVENT OF A CLAIM AND THE CLAIM MAY NOT BE PAID.**

### **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.

Insurers reserve the right to withdraw a quotation at any time regardless of whether terms have been accepted. Any correspondence between us and you will be superseded by such cancellation.

### **Credit Search Consent**

Many of the Insurers and Premium Finance Companies whom we place business with do at times carry out searches to protect customers from fraud and to verify identity. They do this using publicly available data which they obtain from a variety of sources, including credit reference agencies and other external organisations. This may also include a credit check to ascertain the most appropriate payment option for you. Their search will appear on your credit report whether or not you take out or renew a contract with them.

Unless you advise otherwise, you are deemed to have accepted our Terms of Business and consent to our using these Insurers and Premium Finance Companies when providing you with a quotation for new business or for renewal of an existing policy/contract.

### **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.

You are advised to keep copies of documentation sent to or received from us for your own protection. Please consult us if you are in doubt on any aspect.

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.

If you mislay your policy at any time, we will arrange a replacement policy document, if you request it.

### **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**

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.

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.

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

#### **Our Fees, Commission and Charges**

We usually receive a commission from the insurance provider with whom we place your business and in such a case, the commission will be paid to us when we are in receipt of cleared funds from you (or the premium finance company, if one has been used) or, when the insurer has received cleared funds from us in respect of the premium due under your policy. The individual agreements we have with each insurer will determine which of the two methods above is used to make this transfer of commission.

In addition, we may make the following charges to cover the administration of your insurance:

##### *Standard Charges*

Arranging new policies	£25
Renewals	£25
Cancellation	we refund net of our commission

If we arrange a policy on which we earn no commission or, if the commission we receive from the insurer is considered by us to be insufficient to cover the cost of the work we undertake on your behalf, our fee may be higher and we will advise you of this before you take the policy out.

Policies voided or cancelled from inception by insurers will be treated as a cancellation and we will retain any commission and fees before returning the net premium to you. By accepting these terms of business, you agree that we may retain the portion of the premium that relates to commission that would have been due to us.

Specific charges, which apply to individual policies, will be advised to you prior to the commencement of each contract applicable to that policy. The specific charge and purpose of any additional charges will always be advised to you in advance.

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

- The management of cash balances;
- 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 and Introducer fees. 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.

#### **Payment Methods**

We accept payment by BACS, cheque, debit or credit card. A fee of 2% of the amount payable will apply for payments made by credit card with the exception of American Express which will incur a fee of 3.5%. Payments made by debit card will not incur a fee. You may also be able to spread your payments through the Insurers' own instalment scheme or a credit scheme (which we can arrange with an established insurance premium finance provider). There will usually be a charge for paying by instalments or credit scheme and full details will be provided if you select this option. Failure to meet the payment date under an instalment scheme 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.

#### **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.

In the event of a return premium being less than £3, unless otherwise notified by you, Alan & Thomas Insurance Group will pay the return amount due to our nominated charity. Details of this charity are available on request.

Insurers reserve the right to cancel cover at any time should the terms and conditions of the policy not be met.

#### **Client Money**

##### **Client Money (General)**

The FCA rules are designed to protect you in the event that an insurance intermediary fails or is unable to transfer:

- a) any premium money it has received from you to the insurer: or
- b) any claims or return premium monies that it has received from the insurer to you.

We are governed by strict rules pertaining to client money, set down by the FCA.

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 Group 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 Group 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.

#### **Payment to third parties**

We may transfer client money to another person, such as another broker for the purpose of effecting a transaction on your behalf through that person. We do however still remain responsible to you in respect of your money

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.

#### **Treating Customers Fairly**

We pay due regard to the interests of our customers and treat them fairly. We conduct our business with integrity and pay due regard to the information needs of our clients and communicate information to them in a way that is clear, fair and not misleading.

We manage conflicts of interest fairly, both between ourselves and our customers and between our customer and another client.

We take reasonable care to ensure the sustainability of our advice and discretionary decisions for any customer who is entitled to rely upon its judgement.

It is the responsibility of every member of staff at all levels within the organisation to put themselves in the place of the customer and consider whether they have been treated fairly.

We will demonstrate, monitor and establish management information so as to ensure that we are treating customers fairly on a consistent basis and so as to deliver the following six outcomes:

**Outcome 1:** Consumers can be confident that they are dealing with a firm where the fair treatment of customers is central to the corporate culture;

**Outcome 2:** Products and services marketed and sold in the retail market are designed to meet the needs of identified consumer groups and are targeted accordingly;

**Outcome 3:** Consumers are provided with clear information and are kept appropriately informed before, during and after the point of sale;

**Outcome 4:** Where consumers receive advice, the advice is suitable and takes account of their circumstances;

**Outcome 5:** Consumers are provided with products that perform as we have led them to expect, and the associated service is both of an acceptable standard and also as they have been led to expect; and

**Outcome 6:** Consumers do not face unreasonable post-sale barriers imposed by firms to change product, switch provider, submit a claim or make a complaint.

#### **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.

In accepting our Terms of Business:-

1. You agree that the information we hold about you can be held on computer and/or paper.
2. You agree that any information which you give us may be disclosed to third parties (e.g. credit reference agencies and product providers) for the purpose of processing your application, or in connection with claims matters, or to another firm upon the sale of all or part of our business.
3. You agree that we may use the information that we hold about you to contact you from time to time by post, fax, email or telephone to bring to your attention additional products or services which may be of benefit to you.
4. We agree that any consent given by you under paragraph 3 above may be withdrawn by you at any time by contacting us in writing.

We will not provide your information to anyone else unless we are required to do so by the FCA or by law.

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.

**Alan & Thomas Insurance Group record telephone calls for training, quality control and dispute resolution purposes.**

#### **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.

#### **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 Group under-takes 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.

#### **Financial Services Compensation Scheme (FSCS)**

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 90% of the claim, without any upper limit. For compulsory classes of insurance such as employer's liability, third party motor, 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](http://www.fscs.org.uk).

### **What to do if you wish to complain**

The FCA regulates sales, advisory and service standards to make sure that general insurance customer's are treated fairly.

Alan & Thomas Insurance Group is committed to providing 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. We regard complaints as a very sensitive area and a key measure of our customer satisfaction. Should you have any complaints about the service provided, please contact our Compliance Officer in writing or by telephone at:

**Alan & Thomas Insurance Group**  
**314-316 Bournemouth Road**  
**POOLE**  
**BH14 9AP**  
**Tel: 01202 754900**

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 fairly and promptly as possible. If, however, in exceptional circumstances, 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 giving reasons for the delay and indicate when we expect to be able to provide a final response.

If you are an 'eligible complainant'<sup>1</sup> as defined by the Financial Conduct 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.

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<sup>1</sup> Definition – Eligible Complainant

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

- 1 A private individual
- 2 An enterprise which employs fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed €2 million
- 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.