

Terms of Business Agreement

BH&S Insurance Services Ltd. Head Office: Gotham Chambers, Hammett Square, Tiverton EX16 6LR Tel: 01884 256412 email info@bhsinsurance.co.uk

Law and Language

This Terms of Business is subject to English Law and the jurisdiction of the English Courts. We will use the English language 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.

Acceptance

The purpose of this agreement is to set out our professional relationship and detail the services we will provide to you. For your own benefit and protection, you should read all of the information carefully and in particular, we would like to draw your attention to the **"IMPORTANT INFORMATION"** section. If you do not agree to any part of the information, please tell us. We assume that you accept the terms of this agreement unless we hear from you.

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 £5,000,000 in connection with any one event or connected events.

The Regulator

The Financial Conduct Authority (FCA) is an independent watchdog that regulates financial services.

The FCA has authorised us to advise, arrange, deal in and assist with the placing and administration of all types of General Insurance policies and Pure Protection policies. We are also authorised to undertake certain Consumer Credit Act activities.

Our FCA Register number is 301273 and you can check our status and permissions at www.fca.org.uk/register or by contacting the FCA on 0800 111 6768.

Confidentiality and Data Protection

We will exchange the information that you provide to us with insurance companies and other brokers or agents for the purposes of obtaining quotations and arranging cover, this may result in a credit check to confirm your identity and minimise the risk of fraud. We will treat all information as private and confidential, and in strict accordance with the Data Protection Act 1998 (DPA), even when you are no longer a customer and only share information if we are required to do so by law, or regulation.

Under the DPA, you have a right to a copy of any personally identifiable information about you that we hold in our records, you can obtain details by writing to us at the usual address. A nominal charge might apply in providing the information to you.

We will, in addition use information for marketing similar products or services by us and carefully selected companies. Contact may include SMS text, post, telephone or e-mail. If you do not want us to use your information in this way, please let us know.

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 either 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. We also receive commission for arranging finance agreements for the payment of insurance premiums and this is usually expressed as a percentage of the individual loan and is paid to us directly by the premium finance provider. We may also receive a commission or fee for passing introductions to other professional firms.

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

STANDARD CHARGES	
Arranging new policies	up to £ 35.00
Mid-term adjustments	up to £ 15.00
Refunds (we refund NET of our commission)	up to £ 15.00
Renewals	up to £ 35.00
Credit Card Payments	up to 2%
Cancellation (we refund NET of our commission)	up to £ 15.00
Copy Documents	up to £15.00
Data Protection Information Requests	£10.00

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. Any minor errors on payments will be treated as a fee. This applies for amounts of up to £2.00.

You are entitled to request at any time, information about the commissions that we may have received in connection with your insurance, if you want this information please contact us.

Whose products we offer

In respect of products purchased via our website, these will be from a single insurer for each type of business, who will be clearly identified in the quotation.

The service we will provide you with

We are an independent insurance intermediary, who acts on our customers' behalf in arranging insurance. In respect of policies purchased through our website you will not receive advice or a recommendation from us and you will then need to make your own choice regarding the suitability of products offered and about how to proceed. Guidance on the circumstances in which any policy is likely to meet customer's needs, will be confirmed in a demands & needs statement with the quotation.

Financial Strength

We regularly assess the financial strength of the Insurance Companies and other intermediaries that we deal with. The process usually involves general observation of the financial ratings applied by independent rating agencies such as Standard & Poor's and A M Best published with other readily available information within industry guides, newsletters and press releases. Whilst we take care to deal with companies that maintain reasonable solvency margins, we cannot guarantee their financial ability to pay claims.

Payment Options

We normally accept payment by the following credit/debit cards – Visa, MasterCard and Maestro.

If you choose to enter in a finance arrangement, this will be subject to interest charges that we will confirm to you when providing the full details. Importantly, the arrangement you will enter into will be with the finance company not us. It is an entirely separate contract irrespective of the insurance contract. In the event of your failure to meet with the contractual obligations regarding payment the finance provider could approach the insurer to seek a termination of the insurance contract to recoup their outstanding finance arrears. You will be liable to pay their costs and charges if you do not keep up your repayments and cover is cancelled under your policy. This is because the agreement is between you, the policyholder and the finance company direct, not us or the insurer.

Please note that we only use Close Premium Finance for the provision of premium finance facilities.

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.

Money

We will hold money that you pay to us in accordance with the regulators rules or under a risk transfer agreement with insurers. This will include holding your money in the following way.

A **statutory trust client bank account** that only allows us to use the money held in trust on behalf of a customer for paying that customers' premium to an insurance company and to pay premium refunds or claims we receive from that insurance company to the customer, once the premium has been received from that insurance company. We **cannot** use that customer's money to pay another customers premium or refund. Also for this reason it is not possible for you to offset the refund against premiums owed on another policy. We do not pay any interest on premiums held by us in the course of arranging and administering your insurance, unless, in the case of consumer transactions we receive more than £20 per transaction, and then we will ask for your permission to retain the interest. Unless you tell us otherwise, you are consenting to us holding your money in this way.

By holding your money in this, means that in the event that this firm becomes insolvent your money remains protected.

In arranging your insurance we may employ the services of other intermediaries who are regulated by the FCA and your premium may be passed to these intermediaries for payment to insurers. These firms are also required to hold clients' money in a separate trust account. We will also inform you if at any time we are required to pass your premium to firms that operate outside the UK where the protection may be different. Should you not wish us to pass premiums to a firm outside of the UK, please inform us.

Complaints

Our aim is always to provide our customers with a first-class service; however we are aware that, occasionally, it is possible that we may fail to meet your expectations. If for any reason we have not met your expectations, let us know as soon as possible, by calling our main office telephone 01884 256412, or write to Richard Smith, BH&S Insurance Services Limited, Gotham Chambers, Hammett Square, Phoenix Lane, Tiverton, EX16 6LR or email info@bhsinsurance.co.uk.

If we are unable to resolve the issue to your satisfaction by the end of the next business day, we will formally investigate the matter. You will receive an acknowledgement of the matter together with a copy of our complaints process promptly and certainly within 5 working days. We will then aim to investigate and provide a resolution as quickly as possible, informing you of the position at no later than 4 weeks and a final response no later than 8 weeks.

If you are not happy with our response, or the position after a period of 8 weeks, you may be eligible to refer your complaint to the Financial Ombudsman Service (FOS) for an independent assessment and opinion.

The FOS Consumer Helpline is on **0800 023 4567** (free for people phoning from a "fixed line" (for example, a landline at home) or **0300 123 9123** (free for mobile-phone users paying monthly charge for calls to No's starting 01 or 02). Alternatively you can contact them at Financial Ombudsman Service, Exchange Tower, Harbour Exchange Tower, London, E14 9GE. www.financial-ombudsman.org.uk

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

Your Right to Cancel (Applicable to Consumers only)

Please contact us if you wish to cancel any policy that we have arranged for you. Customers acting outside their trade or profession (Consumers) will usually have a legal right to cancel policies for any reason, subject to no claims having occurred, within 14 days of receiving the full terms & conditions. You will always be advised where this Right applies. A charge may apply for the period of cover provided and, in addition, an administration charge will apply as shown in the charges section above, cancellation under this right must be in writing, prior to expiry of the cancellation period, to our usual office address.

Financial Services Compensation Scheme (FSCS)

If we are unable to meet our obligations, you may be entitled to compensation from the FSCS. If we have advised or arranged insurance for you this will be covered for 90% of a claim, without any upper limit, however compulsory classes of insurance (such as motor insurance) is covered for 100% of a claim. Further information is available from the FSCS helpline on 0207 892 7300 and www.fscs.org.uk.

The FSCS is the UK's statutory fund of last resort for customers of authorised financial services firms. Compensation is usually payable if an authorised firm is unable or unlikely to pay claims usually because it has ceased trading or become insolvent

Insurance Premium Tax (IPT)

Your premium detailed in the policy will include IPT at the prevailing rate. Should the rate of IPT be amended by the Government, your premium will be amended by the insurer to reflect the change.

Some policies are subject to Value Added Tax (VAT) not IPT and should the rate of VAT be amended by the Government, your premium will be amended by the insurer to reflect the change.

Termination

You may cancel this agreement with us at any time. You must provide at least 14 days written notice of instructions. We also reserve the right to cancel this agreement at any time. In any event, we will provide you with reasonably sufficient time to re-arrange your insurance and we will notify you of termination in writing together with an explanation if appropriate.

IMPORTANT INFORMATION

WARNING – CONSUMERS

WHERE THE MAIN PURPOSE OF THE CONTRACT IS FOR PRIVATE USE

Your duty to give information

When applying for or amending your insurance policy, we and / or your insurer will ask a number of questions to assess the risk prior to agreeing cover. It is your duty to ensure that you answer all questions raised by insurers or us honestly and reasonably. These questions are designed to enable us or the insurer to obtain a comprehensive picture of the nature of the risk to be insured, and only by asking such questions and receiving answers which are given honestly and with reasonable care, can we or the insurer be in a position to offer terms which are designed to meet your demands and needs.

The reason why this is vital and extremely important is that if you fail to tell us or the insurer something when asked, or, if you answer carelessly or act deliberately or recklessly in making misrepresentations when answering questions, your policy may leave you with no insurance protection; insurers may not pay a part or all of your claim and may cancel your policy. You may find it difficult to re-arrange cover because you did not tell an insurer everything when asked, and you will have to disclose this fact when you reapply for insurance.

FAILURE TO ANSWER QUESTIONS HONESTLY AND REASONABLY, WHEN ASKED, MAY LEAVE YOU WITH NO COVER AND A CLAIM NOT PAID.

WARNING

Warranties and Conditions Precedent

Your policy contains a number of WARRANTIES and CONDITIONS PRECEDENT. These are horrible terms which you must comply with word for word, otherwise the insurer might not pay any claims and might cancel your policy from the start. Even if there is no connection between a breach of these terms and the cause of the loss.

Failure to comply with these terms may leave you with no insurance cover and your claim not being paid!

An insurance warranty is not a good thing, it does not mean that it is a guarantee of something; it typically means that you must comply with terms in order that your insurance protection remains operative.

Conditions Precedent: Some conditions do impose a responsibility on you to have done something or completed something before a certain section of the policy will operate. If you do not do the thing stated, cover will not be in place.

FAILURE TO COMPLY MAY LEAVE YOU WITH NO COVER AND A CLAIM NOT PAID.

IMPORTANT

Warranties are not always referred to as such within a policy and 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 THESE MAY LEAVE YOU WITHOUT ANY COVER IN THE EVENT OF A CLAIM AND THE CLAIM MAY NOT BE PAID.