

## **Terms of Business Agreement**

BH&S Insurances Services is a trading name of Lloyd & Whyte Community Broking Ltd and based at Gotham Chambers, Hammett Square, Tiverton, Devon EX16 6LR Tel: 01884 256412 email [info@bhsinsurance.co.uk](mailto:info@bhsinsurance.co.uk)

### **Definitions**

The words 'you' or 'your' means you the customer of BH&S Insurance Services and the words 'we' or 'us' or 'our' means Lloyd & Whyte Community Broking Ltd t/a BH&S Insurance Services.

### **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.

### **The Regulator**

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

Our Financial Services Register number is 301273 and you can check our status and permissions at [www.fca.org.uk/register](http://www.fca.org.uk/register) or by contacting the FCA on 0800 111 6768.

### **Acceptance**

**The purpose of this agreement is to set out our professional relationship and detail the services we will provide to you. 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.**

### **Confidentiality and Data Protection**

We treat the privacy of our customers very seriously and we take appropriate security measures to safeguard your privacy. Information explaining how we protect and manage any personal data that you share with us and we hold about you as required by us to arrange and administer your insurance and fulfil our legal and statutory obligations can be found in our Privacy Policy. Visit <http://www.bhsinsurance.co.uk> where a copy of our privacy policy is available.

### **Conflicts of Interest**

We aim at all times to treat you fairly. We will not deliberately put ourselves in a position where our interests, or our duties to another party, prevent us from discharging our duty to you. We maintain internal procedures and controls to identify and manage any potential conflicts so that at all times the interests of our customers are reasonably protected. Where potential conflicts are particularly complex or difficult to manage, we will seek to agree with you the best way to protect your interests and may ask you to confirm that you are happy to proceed on that basis.

### **Force Majeure**

We shall not be liable to you if we are unable to perform our service due to any cause beyond our reasonable control. In the event of any such an occurrence affecting us we will, once we become aware of such cause, notify you as soon as reasonably practicable.

### **Rights of Third Parties**

Unless otherwise agreed between us in writing no provision of this Terms of Business is enforceable under the Contracts (Rights of Third Parties) Act 1999 by any parties other than you or us.

### **Electronic Communications**

We may communicate with each other, and with other parties we need to communicate in order to provide services to you, by email, and sometimes may attach further electronic data. By doing this we and you accept the inherent risks (e.g. viruses, unauthorised access/interception). Our system does have virus checking processes but you will be responsible for virus checking all electronic communications sent to you and for checking that messages received are complete and accurate. In particular you should always verify bank details when first making payments to us or changing our account details that you hold.

## **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**

<b>Arranging new policies</b>	<b>Up to £35.00</b>
<b>Mid-term adjustments</b>	<b>Up to £15.00</b>
<b>Refunds (we refund NET of our commission)</b>	<b>Up to £15.00</b>
<b>Renewals</b>	<b>Up to £35.00</b>
<b>Cancellation (we refund NET of our commission)</b>	<b>Up to £15.00</b>
<b>Copy Documents</b>	<b>Up to £15.00</b>
<b>Data Protection Information Requests</b>	<b>£10.00</b>
<b>Bank charges as incurred per payment</b>	<b>Up to £35.00</b>

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.

From time to time where we receive commission at a level below that which we consider appropriate we may apply higher charges than those set out above. In such circumstances these charges will be advised to you prior to the commencement of each period of insurance applicable to that policy.

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.

## **Our Service**

We can 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 also act on behalf of insurers when collecting premiums under risk transfer.

We will ask questions to enable us to assess reasonably your insurance requirements, this may include checking information that we already hold about you and your existing insurance arrangements with us and other parties.

**We will provide you with advice and guidance, after assessing what you want and need and recommend a suitable policy based on our experience of dealing with similar risks. We sometimes offer additional associated products at the same time. We do not always advise or recommend regards these products but you will be informed if this is the case and you should carefully consider if the product is suitable for you.**

**Our service and advice will be limited to the product type you have requested. You should carefully consider if you need other product types and ask us for advice on these as well if you are unsure.**

**We will confirm to you the level of service we are providing as part of our sales process.**

In all cases our service will include arranging and administering your insurance, including helping you with on-going changes and assisting you if you need to make a claim, or where we outsource claims handling facilities to give you an enhanced service. If you cease to have an insurance policy with us and need continued claims assistance we reserve the right to charge for this service.

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.

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

### **Our Product Selection**

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 for the risk at hand, and this is called a fair and personal 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 selling process. We will also confirm which insurers we have approached in these circumstances.

### **Additional services**

We also provide additional services such as risk management assistance and Health and Safety services. Please note 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.

### **Motor Insurance Database**

When we agree to update the Motor Insurance Database for our commercial clients for whom Insurer's do not provide this service we do so at the clients own risk. Any penalty or fines for not keeping the Database up to date are the sole responsibility of the client. Any changes to the vehicles or any errors or omissions must be confirmed to us as soon as possible and within 3 working days.

### **Financial Strength**

Whilst we take care to deal with companies that maintain reasonable solvency margins, we cannot guarantee their financial ability to pay claims. Should you have any concerns please discuss these with us and we can usually confirm 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. If we are aware of any concerns regards an insurer these will be highlighted to you.

### **Money**

We will hold money that you pay to us in accordance with the regulators rules under a risk transfer agreement with insurers in a non-statutory trust Insurer bank account.

A non-statutory trust insurer bank account in accordance with our agreements with Insurance Companies that transfer the risk of money we receive from customers to them, these agreements deem any money you pay to us, to be received by them and they will bear the risk of any losses in the event that our firm becomes insolvent. This includes claims money or premium refunds we receive prior to being paid to you.

**By holding your money in this way, 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 authorised and 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.

The majority of these intermediary's cascade risk transfer to us however where this is not the case we will advise you to whom premiums should be paid.

## **Payment Options**

We will provide you with full details of all the payment options available to you when we provide you with your insurance premium.

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.

## **Cancellation**

**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 14-day cancellation period, to our usual office address.

## **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, Gotham Chambers, Hammett Square, Tiverton, Devon EX16 6LR or email richardsmith@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 from mobile or landlines) 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 9SR. [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

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

## **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](http://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

## **Limit of Liability – IMPORTANT INFORMATION**

1. This section forms part of our Terms of Business. We accept instructions to act on your behalf strictly subject to the following limitation upon our liability.

2. Our Liability to you for any act or omission (including breach of contract or negligence and/or the negligence of any other parties in respect of which we are legally liable to you), whether such liability be in damages, equitable compensation or otherwise, shall not exceed £2,000,000 or its equivalent from time to time in Euros or any other relevant or appropriate currency in respect of any one transaction or series of related transactions.

This figure has been carefully chosen to enable us to offer reasonable redress to our clients in the event of a claim, whilst enabling us to retain competitive levels of fees and commissions and make appropriate arrangements to ensure that any proper claim is met. This section does not apply to awards made by the Financial Ombudsman Service.

3. In Section 2 above:

I. 'negligence' means a breach of any obligation upon us to take required care, whether that obligation is imposed by virtue of a term (express or implied) of any relevant contract, or by the law of negligence, or otherwise;

II. 'transaction' means any professional service provided by us to you, including (but not limited to) the arranging of insurance, advising on insurance cover and/or on particular wordings, notification of claims to insurers, and claims handling generally;

III. 'a series of related transactions' has its ordinary meaning (save that 'transaction' has the meaning given at (II) above), but includes (without limitation), (a) transactions concerning, connected with or arising out of the same policy of insurance or reinsurance arrangement, or, (b) where different policies or arrangements insure or reinsure (as the case may be) all or some of the same risks, transactions concerning, connected with or arising out of some or all of those policies or arrangements.

4. We are always prepared to discuss increasing the limit of our liability specified in this section in relation to any individual engagement, if particular reasons exist, but we reserve the right to decline to increase the limit or (in the event that we agree to increase it) to make an additional charge or to impose alternative or additional conditions. No agreement to increase the limit shall be valid unless made in writing and signed by us.

5. Under these Terms of Business, you agree not to make any claims against any employee, director, partner, principal, consultant or other individual connected with us. See paragraph 6 below. However, it is also understood and agreed that if for any reason the provisions of paragraph 6 hereof are held to be invalid or unenforceable in whole or in part, any claim made by you against with us is also subject to the limit of liability of £1,000,000 contained in this clause, and you understand and agree that any such individual may avail themselves of this limitation.

6. You agree

I. that your remedies in relation to the provision of professional services by us, arising out of or in connection with this engagement, lie exclusively against us and not against any employee, director, consultant, principal, partner as individuals;

II. that you will not make any claim and/or bring any legal proceedings against any employee, director, partner, principal, consultant or any other individual;

You understand and agree that the provisions of this clause may be enforced by any employee, director, partner, principal, consultant or any other individual connected with us in accordance with the Contracts (Rights of Third Parties) act 1999.

## **Your Duty to make Fair Presentation of the risk- IMPORTANT INFORMATION**

**IT IS IMPORTANT THAT YOU UNDERSTAND YOUR DUTY TO MAKE FAIR PRESENTATION OF THE RISK PROVIDING ALL MATERIALLY IMPORTANT INFORMATION, FULLY, COMPLETELY AND ACCURATELY TO US/YOUR INSURER NOT ONLY WHEN YOU TAKE OUT YOUR INSURANCE, BUT ALSO THROUGHOUT THE LIFE OF YOUR POLICY, AT RENEWAL OR AT ANY OTHER TIME WHEN CHANGES OCCUR.**

A circumstance or representation is material if it would influence the judgement of a prudent insurer in determining whether to accept the risk and, if so, on what terms. For example: -

- Details of previous claims that you have made or reported or losses suffered;
- Personal information about you such as CCJ's and criminal convictions even when the insurance relates to a business and not you;
- General information about the risk such as the construction of a building, method of heating and information regarding security or processes being undertaken at the premises or when working away work with heat, at height, with asbestos of any type or at high risk premises such as power stations, chemical plants, military bases, docks, railways or airports.

If you are unsure whether any information could be deemed materially important it must be provided to us and / or your insurer.

**The reason why this is vitally important is that if you fail to tell us or the insurer something that is materially important you may be left with no insurance protection; insurers may not pay a part or all of a claim and your policy may be cancelled. You may also find it difficult to re-arrange cover because you did not tell us or the insurer everything when asked, and you will have to disclose this fact when you reapply for insurance.**

### **Warranties, Conditions Precedent and other Conditions- IMPORTANT INFORMATION**

Policies contain WARRANTIES and / or CONDITIONS PRECEDENT and / or other CONDITIONS

It is essential that you understand and fully comply with all warranties, conditions precedent and other conditions set out in your policy.

**A breach of any warranty or policy condition will be viewed as a serious matter by your insurer and could jeopardise the continuance of cover or the acceptance of a claim. Please take time to familiarise yourself with all the terms and conditions of your policy.** If you are unsure of the meaning of any part of your policy, please ask us for clarification.

### **Termination**

You may cancel this agreement with us at any time. You must provide at least 21 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.