

Rowlands & Hames Insurance Brokers Ltd.
277 Dickson Road, Blackpool, Lancashire, FY1 2LG
Telephone: 01253 594211 Facsimile: 01253 500473
mail@rowlands-hames.co.uk www.rowlands-hames.co.uk

Terms & Conditions of Business – General Insurance

Introduction

- The following is a summary of the principles and practices, which govern the way Rowlands & Hames Insurance Brokers Ltd. operates. Within this Terms and conditions of Business a reference to we, us, our and Rowlands & Hames is a reference to Rowlands & Hames Insurance Brokers Ltd

Accepting our Terms & Conditions of Business

- By asking us to quote for, arrange or handle your insurances, you are providing your informed agreement to these Terms & Conditions of Business.
- We particularly draw your attention to:
 - The section headed 'Confidentiality and use of Personal Data', and specifically the paragraph explaining how 'sensitive personal data' will be used; and
 - The section headed 'Handling Money', which explains our terms for handling client money in a Non-Statutory Trust account.
- For your own benefit and protection, you should read these terms carefully. If you are unsure about any aspect of our Terms & Conditions of Business or have any questions regarding our relationship with you, please contact us at the address given above.

The Financial Services Authority

- Rowlands & Hames Insurance Brokers Limited is authorised and regulated by the Financial Services Authority (FSA). Our FSA Registration number is 148191.
- Our permitted business is advising, arranging, dealing as agent and assisting in the administration and performance of general insurance contracts.
- You may check this on the FSA's Register by visiting the FSA's website www.fsa.gov.uk/register/ or by contacting the FSA on 0845 606 1234.

Sourcing your insurance cover and Our Service

- We provide access to a wide range of general insurance products, services and advice to commercial clients and consumers.
- For most policy types we will carry out a 'fair analysis' of the market in order to identify a suitable product. This means that we 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.
- In certain circumstances however, our search for a product may involve a limited number of insurers due to the nature of the product type. We would be happy to discuss with you the scope and outcome of our

search. You can ask us, at any time, for a list of the insurers we have approached.

- In very limited circumstances, we may only offer cover from a single specialised insurer.
- There may be occasions where due to particular circumstances we will use another specialist intermediary to access particular insurers.
- Our role is to advise you and, after we have assessed your needs, to make a suitable recommendation. In situations where we are able to arrange insurance for you but do not offer advice, we shall confirm the position to you in writing. We will not provide further advice or recommendations following the arrangement of insurance cover, unless you notify us of a material change of circumstances or formally request that we review your insurance arrangements. At renewal, unless we present you with a quote for cover with an alternative insurer, we will not offer advice or make recommendations (unless you request this during the renewal process).
- We will explain the main features of products and services that are available including all-important details of cover and benefits together with significant exclusions, conditions and other obligations.
- We undertake to keep our clients fully informed of any material changes in their insurance covers. Similarly, we ensure that all relevant information is passed to insurers as soon as we are notified.

Our Capacity

- In sourcing a suitable policy, placing the insurance and in the event of a claim we act on your behalf and not as agent of the insurer.

Insurer Security

- We will not in any circumstances act as an insurer nor guarantee or warrant the solvency of any insurer or placing agent we use.

Your Responsibilities, Your Duty of Disclosure, Sums Insured and Estimates

- The law imposes onerous duties upon anyone entering into an insurance contract and anyone acting on his behalf. For example, a proposer has a duty to disclose all facts or circumstances that may influence the underwriter in deciding whether to accept the insurance, impose special terms, or charge an increased premium. This duty arises not only at inception of the contract, but also at renewal and throughout the life of the policy. Similarly the duty also applies to the submission and substantiation of all claims.

- This information must always be disclosed to insurers. A proposal, statement of fact or claim form, or any other document relating to the contract of insurance must be answered fully and accurately and you should check all details and pay particular attention to any declaration you may be asked to sign. The provision and documentation of this information is the sole responsibility of the Insured, as failure to disclose such material information, or misrepresentation of any fact, may invalidate your insurance policy and could mean that part or all of a claim may not be met.
- It is important that if you are unsure whether information may be material or if you have any other query regarding your duties you should disclose this to either Rowlands & Hames or insurers. You should inform us immediately of any changes in circumstances that may affect the services provided by us or the cover provided by your policy. If you are unsure about any matter, please contact us for guidance.
- In the event that another person, including an employee of Rowlands & Hames, fully or partially completes a proposal form or declaration on your behalf, all responsibility for any errors or omissions rests entirely with you. If any of the statements in a proposal form or declaration are not in your own handwriting, it will be deemed that you gave authority for these statements to be written on your behalf and that you checked the statements carefully.
- The setting of adequate sums insured (including the implications of VAT) and other estimates is the Policyholder's responsibility and Rowlands & Hames do not accept any liability whatsoever for underinsurance or other omissions. We recommend that you seek professional guidance from surveyors/suppliers in respect of rebuilding costs and supply of plant and equipment etc.

Credit Searches

- Insurers may undertake credit searches on an occasional or automatic basis as part of their underwriting procedure.

Policy Wordings/Conditions/Warranties

- It is important that you read all insurance and any associated documents issued to you and ensure that you are fully aware of the cover, limits and other terms that apply. If you require additional copies of policy documentation please contact us.
- Particular attention must be paid to any conditions, clauses and warranties (whether express or implied) contained within the insurance we have arranged. Failure to comply can result in the insurer automatically terminating your policy. Further, where the insurance has been placed with conditions, it may be invalidated or coverage prejudiced whilst the condition is outstanding.

Documentation

- We will confirm details of all covers arranged, in writing, including the identity of the Insurer. Our aim is to provide all correspondence in a simple and understandable format. In the event of any remaining

areas of uncertainty, please contact us. Our staff are always happy to clarify the cover provided.

- We recommend that clients retain all paperwork relevant to their insurances, as this may be useful for future reference. Such documentation may enable claims to be checked against cover provided, enabling settlement as soon as possible. Employers' Liability certificates should be retained for no less than forty years under the Employers' Liability (Compulsory Insurance) Regulations 1998.
- Unless you specifically request otherwise, we may email policy and other documentation electronically in the 'pdf' (portable document format)

Payment for Services and Our Remuneration

- We receive remuneration for our services from insurers or product providers by receiving brokerage (commission) and/or a fee agreed with you. On request by Commercial clients we will be pleased to provide information about any commission, which we may have received as a result of placing your insurance business. Occasionally insurers and other providers may wish to reflect the size and profitability of our account with them by way of underwriting profit shares, volume over-riders or premium finance earnings.

- We will make administrative charges for handling your insurance as follows:

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| Dealing with a mid term alteration | £20 |
| Issuing duplicate documents | £20 |

- Any commission 'claw back' imposed by insurers or product providers following a mid-term alteration or other adjustment will be shown as a separate fee incorporated in an invoice/credit-note and reduce any return premiums. We also draw your attention to the sections headed 'Cancellation of Insurances' and 'Ending your relationship with us'.
- Where we agree to work on a 'net of commission' basis in return for a professional fee arrangement, we will quote the 'net' figure as being the gross premium less any commission we would normally have retained ourselves.
- We reserve the right to charge for debit/credit card processing up to a rate of 2% of the amount debited.

Payment & Credit Period

- You will receive a quotation, which will tell you the total price to be paid, showing any professional/administration/insurer fees and taxes applicable, separately from the premium, before your insurance arrangements are concluded.
- Some underwriters include terms of settlement on certain contracts; others require that the premium be paid within certain strict guidelines. This is a condition of the policy and must be complied with, as failure to meet payment deadlines can lead to a policy being cancelled and render the contract voidable from inception.
- Our normal terms of credit for commercial clients are 14 days from invoice date, unless otherwise stated.

Premiums for consumers are due on invoice unless otherwise agreed.

- Where there are a number of transactions, it is our practice to issue a Statement of Account. In the event of any query, please notify us as soon as possible to allow the matter to be resolved. All balances need to be settled within the terms of credit stated.
- Credit notes are issued for any net amount due to the client and settlement will be made by cheque/BACS. We are only in a position to return any credit amounts to you once we have received the funds from the Insurer/Supplier.
- Where a credit of below £20 remains on your account, unless you specifically request its return, we reserve the right to retain this, to your credit, on your account for economic reasons for it to be set against any future debits.
- Clients may be offered the opportunity to pay premiums via instalments by direct debit. Instalment arrangements may be direct with the appropriate insurer whereas others may be provided by independent third party premium finance providers. All premiums notified as part of an instalment plan must be completed under the terms of the credit contract. Any failure to meet the financial requirements may prejudice the contract and render it voidable together with any effected insurance policies.

Handling Money

- Our financial arrangements with most insurance companies are on a 'Risk Transfer' basis. This means that we act as agents of the insurer in collecting premiums and handling refunds due to clients. In these circumstances such monies are deemed to be held by the insurer(s) with which your insurance is arranged.
- You will be notified if Risk Transfer does not apply and we will then hold such monies in a Non-Statutory Trust account pending payment. The establishment of the Non-Statutory Trust account follows the rules that the FSA introduced to protect money held by authorised intermediaries. However, you should be aware that, under the Non-Statutory Trust account rules, we are permitted to use such monies temporarily held to advance credit to clients generally. A copy of the Deed of Trust is available on request or may be inspected at our premises during normal office hours. If you object to your money being held in a Non-Statutory Trust account you should advise us immediately. Otherwise, your agreement to pay the premium together with your acceptance of these Terms & Conditions of Business will constitute your informed consent to our holding your money in a Non-Statutory Trust account. We will retain interest earned on monies held in such a Non-Statutory Trust account.
- For the purpose of some transactions, client money may pass through other authorised intermediaries before being paid to the insurer.

Claims

- We will employ due care and skill if we act on your behalf in respect of a claim.
- To assist us in the handling of any claim it is vital that you notify us promptly when an incident, which may give rise to a claim, occurs, and provide all information, claims forms and estimates as quickly as possible. You should take note of the required procedures in the event of a claim, which will be stated in the policy documentation. Generally, insurers require immediate notification of a claim or circumstances that might lead to a claim. Delays may prejudice negotiations and entitle the insurer to repudiate the claim.
- For certain forms of product such as motor insurance, we may outsource the handling and management of claims where we feel this is advantageous from a service and specialisation aspect.
- Claims handling will normally be carried out without charge. In exceptional circumstances where additional services are required we reserve the right to charge a fee for these services. Any fee chargeable will be agreed with you prior to carrying out the additional services.

Instructions to Effect Insurance

- Any instruction to arrange cover, either written or verbal, forms a legally binding contract with both insurers and Rowlands & Hames Insurance Brokers Ltd. as the insurance broker concerned. We specifically draw your attention to the Cancellation of Insurances section below. This entitles us to retain and pursue/deduct any earnings which we consider reasonable to cover our costs should the policy subsequently be cancelled whether from inception or mid-term. This may be the total potential earnings from the first period of insurance.

Motor Insurance Database

- For clients subject to the requirements of the Motor Insurance Database (MID) additional Terms & Conditions apply, a copy of which will be provided.

Cancellation of Insurances

- You should make any request for the cancellation of a policy in writing and any relevant certificate of insurance must be returned to us or the insurer concerned. In the event of cancellation, charges for our services will apply as detailed in the 'Payment for Services and Our Remuneration' section. The terms of your policy may allow insurers to retain the premium in full or to charge short-period premiums in the event of cancellation.
- Consumers are entitled to cancel an insurance policy within 14 days of purchasing cover or receipt of the policy documentation whichever is the later. Please refer to the Insurer's Policy Summary. The insurer however is entitled to charge a reasonable time-on-risk charge. We will refund any fees charged or commission earned over and above what we would consider to be reasonable to cover the costs involved in originally placing the insurance. In some cases (e.g.

policies of less than 30 days) there is no cancellation option. Any commission 'claw back' imposed by insurers or product providers following a cancellation will be shown as a separate fee incorporated in an invoice/credit-note and reduce any return premiums.

Ending your relationship with us

- Subject to your immediate settlement of any outstanding premiums and fees, you may instruct us to stop acting for you and we will not impose a penalty. Your instructions must be given in writing and will take effect from the date of receipt.
- In circumstances where we feel we cannot continue providing services to you, we will give you a minimum of 7 days notice.
- Unless otherwise agreed in writing, if our relationship ends, any transactions previously initiated will be completed according to these Terms & Conditions of Business. You will be liable to pay for any transactions concluded prior to the end of our relationship and we will be entitled to retain commission received for conducting these transactions, together with any fees charged by us for services provided.

Complaints and Compensation

- There may be occasions when you feel we do not meet our usual service standards. If you have any concern about any aspect of our service, please contact our Complaints & Compliance Manager at the address shown above. When dealing with your complaint, we will follow our complaint handling procedures; a summary of these procedures is available on request. If you are still not satisfied, you may be entitled to refer the matter to the Financial Ombudsman Service (FOS). Access to the FOS is available for complainants coming within one of the following categories at the time we receive their complaint:
 - Consumers (e.g. private individuals)
 - Before 1st November 2009 - businesses with a group annual turnover of under £1 million
 - From 1st November 2009 - businesses employing fewer than 10 persons and with a turnover or annual balance sheet total not exceeding €2 million
 - Charities with an annual income of under £1 million
 - Trustees of a trust with a net asset value of under £1 million
- We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Until 31st December 2009 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. From 1st January 2010 Insurance advising and arranging is covered for 90% of the claim, without an upper limit. For compulsory classes of insurance (such as Third Party Motor or Employers' 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 on 020 7892 7300 or www.fscs.org.uk.

Confidentiality and use of Personal Data

- We will process any personal information we obtain in the course of providing our services to you in accordance with the Data Protection Act 1998. In administering your insurances it will be necessary for us to pass such information to insurers and other product or service providers, which may also provide us with business and compliance support.
- We may also disclose details to relevant parties, as necessary, to comply with regulatory or legal requirements. We may contact you in order to promote products or services, which may be of interest to you. We will not otherwise use or disclose the personal information we hold without your consent.
- Some of the details you may be asked to give us, such as information about offences or medical conditions, are defined by the Act as sensitive personal data. By giving us such information you signify your consent to its being processed by us in arranging and administering your insurances.
- Subject to certain exceptions, you will be entitled to have access to your personal and sensitive personal data for which you will be charged a fee of £10. If at any time you wish us, or any company associated with us, to cease processing any of the personal data or sensitive personal data we hold, or to cease contacting you about products and services, please write to our Compliance Manager at the address shown above.

Intellectual Property

- All broking reports and marketing presentations remain the intellectual property of Rowlands & Hames Insurance Brokers Ltd. and must not be disclosed to any other insurance intermediary without our prior permission.

Recording of Telephone Calls

- For our joint protection and training purposes, telephone calls may be recorded and/or monitored.

Conflict of Interests

- Occasions can arise where we, clients or product providers may have a potential conflict of interest with business being transacted for you. If this happens, and we become aware that a potential conflict exists, we will write to you and obtain your consent before we carry out your instructions, and detail the steps we will take to ensure fair treatment.

Governing Law & Language

- These Terms of Business and any accompanying or associated letter shall be governed by and construed in accordance with English Law and the Courts of England shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with them. The contractual terms and conditions and other information relating to this contract will be in English.

Rowlands & Hames Insurance Brokers Limited
Registered in England & Wales number 2195983
Registered Address
277 Dickson Road Blackpool FY1 2LG
Authorised and Regulated by the Financial Services Authority