

Terms of business agreement - Commercial clients

Please read this document carefully. It sets out the terms on which Alec Finch & Company Ltd agree to act for clients and contains details of our responsibilities to you and also your duties to us. Please contact us immediately if there is anything in these terms of business which you do not understand.

1. EXPLAINING OUR STATUS

Alec Finch & Company Ltd (“the company/we”) is authorised and regulated by the Financial Services Authority (FSA) and our Registration Number is 308825. Our permitted activities include assisting in the arrangement and administration of general insurance contracts. These details can be checked on the FSA’s Register by visiting the FSA’s Website at www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234.

We are not contractually obliged to conduct insurance mediation with either a single insurer or a limited range of insurers. We have no direct or indirect holding in any insurer and no insurer has a financial interest in Alec Finch & Company Limited.

2. EXPLAINING OUR SERVICES

Alec Finch & Company Ltd are an Independent Intermediary who act on your behalf and subject to the terms and conditions of this document accept responsibility for advice given and for arranging your insurance. We will advise and make a recommendation to you once we have assessed your needs. Our services include advising you on your general insurance needs, arranging your cover with insurers to meet your requirements, providing assistance in the event of a claim and helping you with any ongoing changes to your general insurance cover you may wish to make.

The scope of our services is limited to general insurance mediation activities unless otherwise agreed with you by separate written agreement and on separate terms of business.

The services and advice provided by or for the Company to you as the client are personal to you and provided to you only. You may not disclose any advice or information provided by us or on our behalf to any third party without our prior written consent, except as required for regulatory or legal reasons. You shall indemnify us and each of our Specified Persons (as defined in clause 19) against any loss, damage, third party claim, costs or expenses arising directly or indirectly from any breach of the latter obligation not to disclose.

3. YOU CAN CONTACT US:

Registered Office

MANCHESTER OFFICE

Fifth Floor, Steam Packet House
70-76 Cross Street
Manchester M2 4JG
Tel Number: 0161 228 1466
Fax Number: 0161 228 0979

HALIFAX OFFICE

Fourth Floor, K MILL
Dean Clough
Halifax HX3 5AX
Tel Number: 01422 323713
Fax Number: 01422 348403

Email: risk@alecfinch.com

Website: www.alecfinch.com

4. INSURANCE PRODUCTS

It is our policy to provide advice or information on general insurance products that are available after having undertaken either a fair analysis of the market, a review of a limited number of insurers, or terms provided by a single insurer. When a recommendation is for a product that has not been selected on the basis of a fair market analysis, we can, upon your request, provide you with a list of those insurers from whom we have made our selection. Where we have utilised the services of a wholesale broker or underwriting agent to place your insurance we will identify both the insurance company and the wholesale broker or underwriting agent.

For certain classes of business we have negotiated preferential terms and conditions with dedicated insurers and we may deal with them, or a single insurer, exclusively. When our recommendation is provided in these circumstances we shall advise you accordingly.

An Insurers' Policy Summary will be provided to you at inception of your policy and a specimen policy document is available upon request for all policies we recommend.

5. INSURERS

As an Independent Insurance Intermediary we act as the agent of our client. However we are subject to the law of agency, which imposes various duties on us, and in certain circumstances we may act for and owe duties of care to other parties. We will advise you when these circumstances occur so you will be aware of any possible conflict of interest.

We place insurance with a large number of Insurers, Underwriting Agencies and Specialist Brokers. We obtain financial information on insurers from a variety of sources, including a specialist security rating agency. However we are unable to guarantee the continuing solvency of any company we use and do not accept liability for any losses arising in this regard.

6. NEW QUOTATIONS AND POLICY RENEWALS

Unless otherwise confirmed by us any quotation given will normally remain available for acceptance for a period of 15 days from the date of issue of the quotation. If requested, we will provide you with a written quotation which will include all relevant information to enable you to make an informed decision. Once we receive your instructions we will give you written confirmation of cover and promptly arrange for the new documents to be issued by insurers.

When your policy is due for renewal you will be provided with renewal terms in good time before expiry, or notified that renewal is not being invited.

You are strongly advised to read all policies issued very carefully as it is these documents, the schedules and any certificates (as amended from time to time in accordance with their terms) that solely constitute the basis of the Insurance Contract purchased. Particular attention should be paid to any policy conditions, exclusions, warranties and claims provisions as failure to comply may invalidate your coverage. If there is any doubt about the documents or extent of cover provided then immediate advice should be sought from us or insurers.

For certain types of insurance (eg Employers' and Public Liability) it is possible that a claim may be made under a policy a long time after the expiry date of cover. Therefore it is important that all Policy documents are kept safely and those which provide protection beyond the expiry date of the policy are retained even after cancellation or transfer to a new insurer. We recommend you keep these policy documents indefinitely.

7. YOUR DUTY TO PROVIDE INFORMATION

Any information, statements or answers made by you to us or your insurers are your responsibility and must be correct. You are required to disclose any material fact which may influence your insurer as to the acceptability or otherwise of the risk. Any inaccuracies in your answers or the information you provide may invalidate your insurance cover in whole or in part. The answers you give on any proposal form or in other pre contractual enquiries and at the time of and prior to quotation are the basis of your contract with insurers. Should this information change after quotation and prior to issue of cover or at any time during the currency of the policy then insurers will need to be advised. Your duty of disclosure is a continuing one during the policy period. If you are in any doubt what may be deemed to be a material fact then please contact us.

This duty of disclosure applies equally to the completion of a claim form or other material document. If a form is completed on your behalf the accuracy of the answers remains your responsibility and you should check that the answers shown are true and accurate.

You should keep a record (including copies of letters) of all information provided.

8. PAYMENT OF PREMIUMS AND METHODS OF PAYMENT

Premium payment in full is required at the inception of any policy or in the case of renewals or mid term adjustments upon receipt of our invoice. Payment can be made by cheque or direct bank transfer. We do not accept cash payments. In some cases we can arrange a monthly Direct

Debit Instalment facility either with your insurers or a premium finance provider. Please contact us should this be of interest.

For the avoidance of doubt no payment shall be deemed to have been received until we have received cleared funds. We reserve the right to cancel the policies should premiums remain unpaid beyond the due date.

If we have not received payment from yourselves we are under no obligation to pay the premium by the payment date to insurers (or other intermediary) on your behalf. Certain policies have premium payment warranties that automatically cancel cover in the event of non payment. We have no responsibility for any loss that you may suffer as a result of insurers cancelling the insurance or taking other such prejudicial steps as a result of a late payment of your premiums by you.

9. MONEY PAID TO US

After receipt of payment we hold money on behalf of clients in accordance with FSA rules and our terms of business with insurance companies.

Our Terms of Business with certain insurers include provision that premium payments made by clients are considered as insurer money after payment to Alec Finch & Company Ltd. These insurer monies are currently co-mingled with client money as we are permitted to do under FSA rules, and the agreements we have with insurers, in a statutory trust account. The aim of the trust is to protect the client in the event of the failure of our company or the failure of the bank or the third party at which the money may be held. In such circumstances the firm's general creditors should not be able to make claims on client money as it will not form part of this company's assets.

We may transfer client money to other organisations (for example wholesale brokers) for the purpose of effecting an insurance on your behalf. Client money, while in the possession of Alec Finch & Company Ltd, will at all times be held with major UK Clearing Banks authorised by the FSA. Acceptance of these terms and conditions will also be taken as implied consent to us retaining all bank interest receivable or other similar investment income from those bank accounts.

10. OUR REMUNERATION

The remuneration we receive for our services will be brokerage (a percentage of the premium allowed by the insurers) and, or, a fee which will be specifically advised to you.

Brokerage and fees are earned for the insurance period and we will be entitled to retain all fees and brokerage in respect of the full period in relation to policies placed by us. No refunds of fees or brokerage will be allowed following cancellation of any policy or reductions in cover.

We reserve the right to charge a fee in addition to the insurance premium for the arrangement, amendment, renewal, or cancellation of any policy. These fees will be advised to you and identified separately.

In addition to brokerage or an agreed fee basis of remuneration we may also receive benefit from.

- Income that we are able to generate due to the volume of our account placed with certain insurers combined with its underwriting performance, which are not identifiable to any specific account.
- Income that we are able to generate through management of cash balances held on behalf of insurers and clients which are not identifiable to any specific account.
- Income that is receivable from premium financing companies calculated by reference to the total volume of premiums financed, delinquency ratios and financing rates applied.
- Commission receivable from certain companies in connection with uninsured loss recovery products.
- Administrative fees or commissions for services provided to insurers or other suppliers.

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 we receive from insurers.

You are entitled, at any time, to request any information regarding any income which we may have received as a result of placing your insurance business. If you wish to request details of our earnings from your business please write to or email the company's Managing Director, Paula Williams (paula.williams@alecfinch.com), or alternatively ask your normal broking contact to request this information on your behalf.

11 WITHHOLDING DOCUMENTATION

We reserve the right to retain certain documents such as your Policy, Motor Certificate or No Claims Bonus Proof until all premiums, charges or fees have been paid. In these circumstances we will ensure that you receive full details of your insurance cover and will provide you with any documents you are required to have by law.

12. CANCELLATION RIGHTS AND PROCEDURES

Policies may be cancelled by notifying us in person, or by telephone, letter or email confirming the reasons for and date of cancellation. In the case of Motor Insurance, policies can only be cancelled by you once the Motor Insurance Certificate or Motor Cover Note has been returned. Refunds are not permitted under certain types of policy but for all other types of policy insurers allow a refund against the annual premium subject to no claims having been made during the period of insurance. In the case of certain insurers a full pro-rata refund may be restricted due to policy terms and conditions that impose minimum premium levels or levy cancellation charges.

13. PRIOR INSURANCE CONTRACTS

In circumstances where you appoint us to act as your insurance intermediary and administer policies arranged by another intermediary or intermediaries we will not be liable for any loss resulting from the advice or possible negligence of your previous intermediary or intermediaries howsoever caused. Unless instructed otherwise we will not undertake to review any of your previous insurance contracts other than contracts currently in force at the time of appointment. We will discuss with you how current and future claims arising from policies not arranged by us will be administered.

14. CLAIMS

All incidents with the potential to give rise to a claim must be reported to us immediately and we will advise you of the appropriate action to be taken. Alternatively claims can be reported directly to insurers by way of their Telephone Claims Helpline, details of which will be shown in your policy documents.

Do not admit liability or agree to any course of action, other than emergency measures needed to minimise the loss, until the insurers have given their agreement. For all crime related claims please notify the police immediately. There may also be other claims requirements detailed in your policy document such as reporting baggage lost or damaged during a holiday to an airline or other appropriate authority.

We will provide a claims handling service for as long as you remain a client of Alec Finch & Company Ltd, however we reserve the right to charge a reasonable fee for our services if, for any reason, you cease to be our client but wish us to continue to handle on-going claims on your behalf.

15. MONEY LAUNDERING AND PROCEEDS OF CRIME ACT

UK Money Laundering regulations may require us to obtain evidence of the identity of clients for whom we act at the start of the business relationship. Documentary evidence may be requested.

We are obliged to report to the Serious Organized Crime Agency any situation giving rise to a suspicion of money laundering. A formal report may be made in the following circumstances:

- If there is suspicion relating to a client's identity
- If a client makes substantial or unusual cash payments
- Where the transaction does not appear to be rational in the context of the clients business or personal activities

We are prohibited from disclosing any report to our Client.

16. CONFIDENTIALITY

Information which you have given us will not be used or disclosed outside of our company

except in the normal course of negotiating, maintaining or renewing insurances on your behalf, unless we are obliged to make such disclosure for regulatory or legal reasons. We are registered under the Data Protection Act 1998 and you have the right to see personal information about you which we hold in our records. We reserve the right to charge a reasonable fee for providing this information to you.

17. COMPLAINTS

Your custom is valuable to us and we want you to be completely satisfied with the service we provide. Should you have any reasons whatsoever to be unhappy with our standards then please contact the executive responsible for handling your account either verbally or in writing who will take details of your concerns.

Alternatively you should contact the nominated Director that deals with any complaints:

Paula WILLIAMS

Alec Finch & Company Ltd
Fifth Floor, Steam Packet House
70-76 Cross Street
Manchester M2 4JG

Telephone Number: 0161 228 1466
Fax Number: 0161 228 0979
Email: paula.williams@alecfinch.com

We will endeavour to resolve the matter by close of business on the next business day following receipt of your complaint. However, if this is not possible we will acknowledge your complaint in writing within five business days and advise you who is handling the matter and when you can expect a response. We would hope to provide a full written response within 4 weeks of receipt of the original complaint but if the matter cannot be resolved within this timescale we will write with an explanation as to the progress and the likely timescale involved. Upon expiry of 8 weeks we shall inform you of our final response or what further action is being taken.

Should the matter not be resolved to your satisfaction once our internal complaints facility has been exhausted then you can contact: The Financial Ombudsman Service (FOS); South Quay Plaza, 183 Marsh Wall, London E14 9SR (Telephone Number 0300 123 9 123). The use of this facility is without prejudice to your right to take legal Proceedings.

Your insurer also operates a complaints procedure and details will be noted in the policy documentation.

18. FINANCIAL SERVICES COMPENSATION SCHEME (FSCS)

We are covered by the Financial Services Compensation Scheme (FSCS).

You may 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.

The FSCS is the UK's statutory fund of last resort for customers of authorised financial services firms, like us.

The FSCS can pay compensation if an authorised firm is unable or likely to be unable to pay claims against it, usually because it has gone out of business or is insolvent.

Insurance advising and arranging is covered for 90% of the claim, without an upper limit. For compulsory insurances such as motor insurance and employers' liability insurance, insurance advising and arranging is covered for 100% of the claim, without an upper limit.

19. LIABILITY

We acknowledge that we will be liable to you for loss, damage, costs and expenses ("Losses") caused by our negligence or the negligence of any of our directors, employees, consultants, sub-contractors or agents for whose acts errors or omissions the Company is legally liable ("the Specified Persons"), subject to the following provisions of this clause, which are each subject to clause 20:

We shall have no other liability of any nature, whether in contract, tort, or otherwise, for any Losses whatsoever and howsoever caused, arising from or in any way connected with the services and/or advice provided by us or our engagement by you.

We shall not be liable in contract, tort (including negligence) or otherwise (i) for any increased costs or expenses, or (ii) for any loss of profit, business, business contracts, business revenues or anticipated savings, or (iii) for any special, indirect or consequential damage of any nature whatsoever.

We shall not be liable to the extent that Losses are due to the provision of false, misleading, inaccurate, or incomplete information or documentation or your failure to inform the Company of any material information or if and to the extent Losses are due to any act or omission of any person other than the Company or any of the Specified Persons.

We shall not be liable to you or be deemed to be in breach of our contract with you by reason of any delay in performing, or any failure to perform, any of our obligations to you, if the delay or failure was due to any cause beyond our reasonable control.

Unless otherwise agreed by the Company with you in writing, our total liability to you (whether in contract, tort (including negligence) or otherwise) shall not exceed £5,000,000 in respect of any one Claim.

“Claim”, for the purposes of this clause 19 shall mean all claims and Losses resulting from:

- One and the same act error or omission; or
- A series of acts errors or omissions arising out of or attributable to the same originating cause, source or event.

20. SAVING

Nothing in these terms and conditions is intended nor shall operate to exclude or restrict any duty or liability to the client which the Company has under the regulatory system in or under the Financial Services and Markets Act 2000, or any liability arising from fraud or dishonesty of any Specified Person, any liability for death or personal injury caused by negligence or any other liability which by law cannot be excluded or restricted.

21 TERMINATION

Our Services may be terminated by us or by you upon giving the other one month’s notice in writing, or as otherwise agreed.

In the event that our services are terminated by you, we will be entitled to receive all outstanding premiums, fees or brokerage payable (whether or not the same has been received by us) in relation to the policies placed by us.

The provisions of clauses 2, 8, 10, 16, 19, 20 and 21 and any provision of this document which is expressly or by implication provided to come into or continue in force after termination of our services, shall survive such termination howsoever arising. Such termination shall be without prejudice to the accrued rights and liabilities and other remedies of either party.

22 LAW AND JURISDICTION

This agreement, which sets out the terms of our relationship with you constitutes the entire agreement between the parties in respect of our engagement. All other terms, express or implied by statute or otherwise, are excluded to the fullest extent permitted by law. This agreement will be governed by and construed in accordance with English Law and any dispute arising under it shall be subject to the exclusive jurisdiction of the English Courts. This agreement may not be varied except in writing between parties.

Unless otherwise agreed between us in writing no term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999.

23. INVALIDITY AND SEVERABILITY

If any provision or term of this agreement shall become or be declared illegal, invalid or unenforceable, all other terms and / or provisions shall remain in force and effect.

24. WAIVER

No failure or delay by either party in exercising any of its rights under this agreement shall be deemed to be a waiver of that right, and no waiver by either party of any breach of the agreement by the other shall be considered as a waiver of any subsequent breach of the same or any other provision.

Note: General Insurance Products means the Contracts of General Insurance listed in Schedule 1 Part 1 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.