

TERMS OF BUSINESS AGREEMENT

This document sets out how we will conduct our business with you. By asking us to quote for, arrange, or deal with your insurances, you are giving your express consent to us operating in the ways described in this document. We are committed to providing a high standard of professional service and to treating our customers fairly.

The Financial Conduct Authority (FCA)

The Financial Conduct Authority is the independent watchdog that regulates most insurance intermediaries. Kerry London Limited is authorised and regulated by the Financial Conduct Authority. Our Financial Services Register number is 308255 and you can check our status at <http://www.fca.org.uk/register> or by contacting the FCA on 0800 111 6768.

Our permitted business includes advising, arranging, dealing in and assisting with the placing and administration of all types of general insurance policies.

The FCA requires us to give you certain information when you become a customer of ours. This document gives some of that information. In addition, other correspondence from us will provide further information that the FCA prescribes in their rules that you need to review, in order to ensure that you are fully aware of how we will deal with you, what services we will provide, and what sort of Policy you have bought. Also contained in this Agreement are our own Terms and Conditions that apply and will govern our relationship. Please read it carefully and **we specifically draw your attention to the sections dealing with premium payment terms, disclosure and your compliance with policy terms and conditions and those dealing with Client Money as, under these terms of business, you are giving your express consent to our actions.**

Kerry London Ltd and our Service to You

We are an independent insurance intermediary, who acts on our customers' behalf in arranging insurance, we will advise you separately prior to the commencement of each contract if this alters.

Our service includes advising you on your insurance needs, arranging your insurance cover with insurers to meet your requirements and helping you with any on-going changes you have to make. We can also assist you with making a claim and tell you what your responsibilities are in relation to making claims.

As independent brokers we use both UK and overseas insurers to obtain the best terms and conditions we can for our clients. However, the levels of regulation differ in each jurisdiction and if non-EU or non-UK insurers participate in insurance contracts, your future ability as an insured to issue legal proceedings and/or execute judgment may also vary. We cannot guarantee the future ability of any insurer to meet policyholder obligations and therefore the final decision on the suitability of any insurer rests with you.

We will advise and make a recommendation for you after we have assessed your demands and needs. Our advice will be confirmed in a demands & statement, giving reasons for our recommendation. There may be an occasion where we do not offer any advice as to the suitability of the contract for your needs and in these circumstances we will confirm this to you in writing. In respect of Legal Expenses / Motor Breakdown policies you will not receive advice or a recommendation from us and you will need to make your own choice about how to proceed.

We usually offer advice from a range of insurers, representing a fair analysis of the market, however, under certain circumstances we may only deal with a limited panel or a single insurer. In certain circumstances we will use the services of another intermediary to place your insurance and in these circumstances we will state the name of the intermediary we use and the name of the risk carrier in the form of "underwritten by".

If you mislay your policy at any time, we will issue a replacement policy document upon request. There will be a fee charged for this service.

To avoid any misunderstandings, please give us your instructions in writing (by letter, email or facsimile). In urgent cases, we will of course accept your verbal instructions but you should confirm those instructions in writing as soon as possible.

Disclosure and Your Compliance with Policy Terms and Conditions

When you apply for insurance for business purposes, or if there is a relevant change to the information during the term of your policy or when you renew your insurance, you have a duty to give a fair presentation of the risk to an insurer. This is one which clearly discloses all material facts which your senior management, and the persons responsible for arranging your insurance, know or ought to know following a reasonable search of information available. It should include all facts that would influence the judgement of the insurer or that would put the insurer on notice that it needs to make further enquiries.

A material circumstance is defined as:

- **Special or unusual circumstances relating to the risk:**
- **Any particular concerns which led you to seek insurance cover for the risk; and**



- Anything which those concerned with the class of insurance and field of activity in question would generally understand as being something that would be dealt with in a fair presentation of risks for this type of insurance.

If you fail to disclose information, misrepresent any fact which may influence the insurer's decision to accept the risk or the terms offered, or fail to make a fair presentation to an insurer, this could invalidate the policy and mean that claims may not be paid in full. Any deliberate or reckless non-disclosure of a material fact may mean that the insurer voids the policy and retains the premium.

If you apply for personal insurance, you must answer all the questions asked of you and provide all the information that is requested. This also applies to your responses in relation to any assumptions you may agree to in the process of applying for insurance cover. You must inform us at any time during the lifetime of the policy and at renewal dates if anything has changed from what you told us when you took the policy out.

This applies whether a proposal form or statement of fact is required by the insurer or not and it is important that you ensure that all statements you make on proposal forms, statements of fact, claim forms and other documents are full and accurate. If a proposal form or statement of fact has been completed on your behalf, you should check that the answers shown to any questions are true and accurate before signing the document.

You should read through all policy terms, conditions and warranties shown on your policy documentation. Please ensure you understand them and are able to follow their requirements exactly. If you cannot, please advise us immediately.

Please note that under the Rehabilitation of Offenders Act 1974 we will not ask you to disclose information about convictions regarded as 'Spent', although some insurers may require such information.

Facts that that might be material are those that would affect the insurer's estimate of the risk involved, or if any misrepresentation or non-disclosure of such facts induces the insurer to enter into the insurance contract on particular terms. If you are in any doubt about whether information is material, you should disclose it.

Where applicable you are reminded that it is an offence under the Road Traffic Act to make any false statements or withhold any relevant information to obtain a Certificate of Motor Insurance.

You are advised to keep copies of any correspondence you send to us or direct to your insurer.

Quotations

When giving you a quotation, we will have taken due care to ensure its accuracy and, at the time of presenting it to you, we will have a reasonable belief that we can place the insurance at the quoted terms. However, we cannot be held responsible if, for whatever reason, the quoting insurer(s) decides to withdraw his quotation prior to our taking it up on your behalf.

In any event, if the insurance is not taken up within seven days of the date of the quotation, you should check with us that it remains valid.

Privacy and Data Protection

We will treat all your personal information as private and confidential, even when you are no longer a customer in accordance with the Data Protection Act 1998.

We will use and disclose the information we have about you in the normal course of arranging and administering your insurances which may include: (i) passing it to third parties acting on our behalf; (ii) where we are required to do so by law; (iii) by virtue of our regulatory requirements (see 'Access to records by a Regulator or Complaints Resolution Body'); (iv) passing information held about you to other Kelliher Insurance Group companies to provide you with other products and services; (v) passing information held about you, to provide you with information about other insurance products and services which we, or other selected companies offer, and which we feel may be appropriate to you, by email, telephone, post or other means. You may exercise your right to give notice to stop data being processed for marketing purposes by contacting us at any time; and / or (vi) passing information about you to credit reference agencies for the purposes of arranging payments by instalments and may also pass to them details of your payment record with us. Insurers may also use the information you supply to obtain credit and other checks that they need to take from Credit Reference Agencies or similar sources which may show as an entry on your credit record. This may happen at quotation stage even if you do not proceed with a policy.

Except as set out in this document, we will not disclose any information to any other parties without your written consent. By accepting these terms you consent to our undertaking such arrangements and passing on all types of personal data relating to you to third parties. If this is not acceptable to you please confirm in writing to us and we will try to make alternative arrangements. In the interests of security and to improve our service, telephone calls you make to us may be monitored and/or recorded.

Unless we are notified of any changes, we shall assume the personal and sensitive data we hold about you is correct, and will use it to provide quotations when policies fall due for renewal.



Under the Data Protection Act 1998, individuals have a right to see personal information about them that we hold in our records. A charge of £10.00 will be made for this service. If you wish to exercise this right you should write to us at the above address.

If you believe that any information we are holding on you is incorrect or incomplete, please write to or email us as soon as possible, the above address. We will promptly correct any information found to be incorrect.

Emailing documents

Email is not a completely secure means of transmission of data or documents, so by providing your email address to us you are giving your informed consent to us using this method to contact you and to send you your policy documents. If you would prefer us not to use this method of contact, please contact us at the above address to let us know.

Access to records by a Regulator or Complaints Resolution Body

We may have to allow access to your records by a regulator or a complaints resolution body, or their appointees or representatives, who have been appointed to undertake monitoring or investigatory activities. We may also be obliged to release records to other Government agencies, the Police, and our auditors.

Premium Payment Terms

You are responsible for paying promptly all of our invoices, premiums, duties, fees etc., to enable us to make the necessary payments to insurers in respect of your insurances. We will notify you of premiums due to insurers by sending you a cover/debit note or invoice once we have finished arranging your insurance. This will normally be sent to you within fourteen days from the start of cover. Premiums are due from the moment the insurance comes into force. So that we can settle your premium to insurers promptly we ask that you pay the premiums due within the terms specified on the cover/debit note or covering letter – this will normally be immediately.

We may accept payment by cheque, certain credit/debit cards or bank transfer. We will not accept premium payments in cash. You may be able to spread your payments through insurers' instalment schemes or a credit scheme which we have arranged with an established insurance premium finance provider. We will give you full information about your payment options and the appropriate finance agreement when we discuss your insurance in detail. We may make an additional charge for payments made by credit card or other payment methods under which we incur handling charges.

For the avoidance of doubt, we have no obligation to fund any premiums, duties, fees etc. on your behalf and will not accept any responsibility for any loss that you may suffer as a result of your insurers' cancelling the policy or taking any other prejudicial steps as a result of a late payment of such premiums, duties, fees etc. if such delay is substantially attributable to you. In order to be able to offer you credit facilities we have the required permissions from the FCA.

Costs, Fees and Commissions

When we arrange your insurance we usually receive commission from the Insurer with whom that insurance is placed, unless we have entered into an arrangement where our services are provided for an agreed fee. This commission varies by both insurer and type of policy and is solely for our account.

Where we decide to forgo such commission as is offered and agree a fee with you instead that covers our costs and expenses, we will always advise you of the amount before we put your insurance arrangements into force and before you incur a liability to pay such fees. They will also be shown on our invoices to you.

If you are a business customer, we will, if you ask us to, tell you how much commission we earn from your insurer. If the exact amount cannot be calculated, the basis of the calculation will be advised.

With certain Insurers and products the commission obtainable is insufficient to cover our costs and expenses. Where this is the case we may charge a fee in addition to the commission that we will receive from the Insurer. Fees will be shown as such on our invoices to you.

If another intermediary is involved in your insurance transaction they will usually be remunerated by commission included in the premium you pay unless a fee in respect of their activities has been agreed with you in advance.

In addition, we will normally make a charge to cover the administration and regulatory costs of your insurance as follows:

New policy issue	up to £100.00 per policy
Mid-term adjustments	up to £100.00 per policy
Renewals	up to £100.00 per policy
Replacement of documents	up to £100.00 per policy

Consumer policies cancelled during the 'Right to Cancel' period will be subject to an administration charge of up to £25.00, in addition to the premium charged by the insurer for the period of cover provided.



We may also receive remuneration from premium finance and credit reference agencies and from some Insurers with whom we have profit sharing, or contingent commission arrangements. Such amounts will solely be for our account.

In the event of cancellation of any insurance contract after inception insurers may return a premium to us. Once our remuneration has been earned at the commencement of the contract our commission or fees will not usually be returnable. We therefore reserve the right to retain our brokerage or fees in full from any return due to you in such circumstances. Insurers may make refunds on a pro rata, short period or other basis according to the type of policy and the length of time in force.

Any costs, fees or commissions received by Kerry London Ltd in accordance with the terms of this agreement are treated as being exempt from VAT and payments made by us are exclusive of VAT. We reserve the right to issue VAT invoices in the future should this position be altered by action of HMRC.

Claims

It is essential that we and/or your insurers are notified immediately of any claims or circumstances which could give rise to a claim. Your policy will describe in detail the procedures and conditions in connection with making a claim and you must comply with any conditions imposed by your insurer.

When we receive notification of an incident that might give rise to a claim under your policy, we will inform the insurer without delay, or direct you to any insurer's claims reporting facility, as appropriate.

Where we handle claims on your behalf we will use our best endeavours when acting on your behalf in relation to a claim, to handle all elements of the claim with due care, skill and diligence. If there is any conflict of interest we will only handle a claim on your behalf after we have disclosed to you all information relevant to that conflict to enable you to decide whether to give your informed consent to us acting for you on that claim and you have given that consent for us to handle the claim. If we cannot resolve the conflict to your and our satisfaction we may have to decline to act for you on that claim.

What to do if you have a complaint

Our aim is to provide a first class service. However, if you wish to register a complaint, please contact us. We will provide you with a copy of our full complaints procedure and respond to you as soon as possible. We will make a final response to you within eight weeks of receiving your complaint. In the event that your complaint relates to activities or services provided by another party we will ensure that your complaint is forwarded to them immediately and will provide you with full details of that party.

After our final response has been issued or, after eight weeks if we have not been able to settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service for an independent assessment and opinion.

The FOS Consumer Helpline is on **0800 023 4567** and their address is: Financial Ombudsman Service, Exchange Tower, Harbour Exchange Square, London E14 9SR. *Website:* <http://www.financial-ombudsman.org.uk/>

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

Your Right to Cancel

Insurance Policy; You may have a legal right to cancel your policy for any reason, subject to the type of policy, your legal status and no claims having occurred, within 14 days of receiving the full terms & conditions. You will always be advised where this applies. A charge may apply for the period of cover provided and, in addition, we may make an administration charge as detailed above in Costs, Fees and Commissions.

Credit Agreement; You have the right to cancel a credit agreement, sold as a distance contract (ie not face to face) without penalty, subject to your legal status, within 14 days of receiving the full terms and conditions (credit agreement). You will always be advised where this applies.

If you wish to cancel a policy and/or a credit agreement you must advise us in writing, prior to expiry of the 14-day cancellation period, to our usual office address.

Are we covered by the 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, the circumstances of the claim and whether you are eligible to participate in the FSCS scheme. Full details and further information are available from the FSCS. The FSCS is the UK's statutory fund of last resort for customers of authorised financial services firms like ours. 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.



For eligible claimants, insurance advising and arranging is covered for 90% of the claim, without an upper limit. For compulsory insurances (for example, motor insurance and employers' liability insurance) insurance advising and arranging is covered for 100% of the claim, without an upper limit.

Further information about compensation scheme arrangements is available from the FSCS on 0800 678 1100 or 0207 741 4100 or www.fscs.org.uk.

Client Money (Non Statutory Trust Account and Risk Transfer arrangements)

FCA rules require that all money received from clients is segregated from our own money to provide safety for the client in the event that Kerry London cannot meet its obligations. This money cannot be claimed by any creditor of the firm as it is not the firm's money. Kerry London operates a Non-Statutory Trust for this purpose. You should be aware of and understand that the use of this type of account allows Kerry London to make advances of credit to settle outstanding items to insurers and clients.

With certain insurers we have entered into formal written agreements where those insurers treat money paid to us by our clients as having been paid to them directly. In these circumstances, even if we were to default in paying that money to the insurer, your position is protected as the insurer treats your premium as having been paid to them once you have made your payment to us. Under these arrangements we are acting as Agent for the insurer when collecting premiums. Generally these arrangements apply to premium payments only but may include return premiums or claims payments due to you. Any money subject to this kind of agreement will still be held in our Non-Statutory Trust account.

If we use a third party to place your insurance we may need to transfer your money to that party but we still remain responsible for your money until it is received by the insurer.

By accepting these Terms of Business you are giving your express agreement to Kerry London Ltd to operate its Insurer money arrangements in the way outlined above. Any interest earned on any monies held in a Non-Statutory Trust Account will be retained by us.

Unclaimed Client Money

From time to time our clients move addresses or for other reasons lose contact with us. Where this occurs and a balance is due to a client, we will continue to hold that money as client money for a period of 6 years from the date of the transaction. After that period we will cease to hold that money as client money specifically allocated to the relevant client and may transfer it elsewhere. We will continue to maintain a list of transactions affected and undertake to make good any valid claims occurring after the 6 year period.

Money Laundering, the Proceeds of Crime Act and the Bribery Act (2010)

UK money laundering regulations apply to us. There may be occasions where we may request evidence of the identity of clients which may include sight of official documents and evidence of address. By accepting these Terms of Business you agree to provide such documentation as we may require upon demand in order to fulfil any legal obligations we may have.

The Bribery Act 2010 requires us to assess the bribery risks to which we may become exposed and to implement, maintain and enforce anti-bribery policies and procedures proportionate to the risks we face. Hospitality, promotional expenditure and gifts could be regarded as bribes but recent UK Government guidance emphasises that this is not intended to criminalise established and ordinary business practices. Dealings with funds received as a result of bribery could constitute a money laundering offence.

Governing Law & Language Used

The English language will be used for all communications, contractual terms and conditions, and any information we are required to supply to you before and during the duration of the contract.

This Agreement shall be governed by the laws of England and Wales and the parties to it agree that any dispute arising out of it shall be subject to the exclusive jurisdiction of the English Courts.