



## **Terms of Business**

### **1. OUR SERVICE**

Ault Insurance Brokers (Aults/We/Us/Our) of Kinder House, Lombard Street, West Bromwich B70 8SD is an independent Insurance Broker authorised and regulated by the Financial Services Authority (FSA). Our permitted business is the arranging of general insurance contracts, and our FSA register number is 311469. These details can be checked on the FSA's register by visiting the FSA's website <http://www.fsa.gov.uk/register> or by contacting the FSA on 0845 606 1234.

Our service includes advising you on your service needs, arranging cover with Insurers to meet your requirements, and helping you with any ongoing changes or claims you have to make. Usually we act on your behalf in arranging your insurances. However we may issue policies on behalf of certain Insurers, or collect premiums as agents for Insurers. We may place cover via another intermediary where this gives us access to special facilities or schemes for certain trades. Access to the Lloyds market is only via a Lloyds Broker. If we are arranging insurance cover through another intermediary you will be advised.

You must be aware that if instructions are received after the close of business it may not be possible to act upon them and/or to arrange cover until the next following business day.

We strive to conduct our business with the utmost good faith and integrity. We endeavour to satisfy your requirements and will place your interests before all other considerations. Subject to these requirements and interests we will have proper regard for others. Whilst we always try to get matters right first time, you must check that the cover arranged accords with what is required, and notify us promptly of any discrepancy.

We will conduct our business with due skill, care and diligence and will communicate with you in a way which is clear, fair and not misleading. If you are unsure of the meaning of anything we have said or written, you must seek clarification.

We will manage conflicts of interests fairly, whether between you and us, or between you and another Client. We will take reasonable care to establish and maintain such systems and controls as are appropriate to our business.

Whilst we are prepared to accept verbal instructions, we may, at our discretion, require you to confirm such instructions in writing. Personal insurance policies and other documents relating to the insurance contract will be forwarded to you within 5 days of receipt by us; all other policy documentation will be forwarded to you without delay.

We will give you enough information and help so that you can make an informed decision before you make a final decision to purchase an insurance policy. If you are a Consumer (defined by the FSA as any natural person who is acting for purposes which are outside his trade or profession), and not a Commercial Customer you have 14 days from the date you receive the policy documentation in which to change your mind, cancel the contract and receive a full refund of the premium provided that no claim has been made.

We will place business with reputable Insurers at reasonable terms. However we cannot and do not guarantee the solvency or continuing solvency of any insurer used. A liability for the premium, whether in full or pro-rata, may arise under policies where a participating insurer becomes insolvent. We do not necessarily place business at the lowest possible price, but will use our professional judgement to place business on a basis that we consider is appropriate. The market for certain risks may be extremely limited and we cannot guarantee to obtain cover for every risk in every circumstance.

It should be noted that engineering inspection only service is not covered by the FSA's rules, as it is not an insurance contract.

### **2. PROFESSIONAL INDEMNITY**

We conform to the FSA standards in respect of our Professional Indemnity Insurance. The present level of cover exceeds the FSA's minimum requirement.

In line with most professionals, we cap our liability to you for our negligent acts. We shall treat your explicit or implicit instructions to us to place or renew your insurances as your acceptance of the following limitation of our liability to you and to any other person with an interest in your insurances.

Our liability in contract, tort (including without limitation negligence), or otherwise will be limited to £10 million in respect of all services we provide to you over any twelve month period, other than in respect of any claim resulting from our breach of the FSA's rules, or resulting from our fraudulent acts or any of our acts which are deliberately contrary to our agreement with you, or in relation to death or personal injury resulting from our negligence, or in relation to any liability which cannot lawfully be excluded or limited.

### **3. DISCLOSURE OF MATERIAL FACTS AND RETENTION OF CORRESPONDENCE**

It is your responsibility to provide full and accurate information to Insurers when entering into any contract of insurance, throughout the period of insurance and at any subsequent renewal. It is most important that you ensure that all verbal and written statements you make, and all information provided on proposal forms, claim forms and other documents, are full and accurate. You cannot be held responsible for any loss arising in any way for a failure to do so. Note that if you fail to disclose any material information to Insurers, this could invalidate your insurance cover. This would mean that part or all of a claim might be rejected, and/or the policy might be cancelled. If you are unsure what might be considered material you should always disclose it. In particular, other insurance policies held by you and not arranged by us should be disclosed to us as they may have an effect on any recommendations we may make to you.

Whilst we will keep correspondence for a minimum of three years, we cannot undertake to retain all correspondence or information disclosed to us indefinitely. You should therefore always keep copies of all such correspondence and information. It is possible under some types of cover for a claim to be made many years after a policy's expiry date, and therefore you should keep documents relating to such contracts safely. Although it is no longer a legal requirement to keep Employers' Liability Certificates for 40 years, it is very strongly recommended that you keep a record of all of your Employers' Liability insurers (including those of all subsidiary and acquired businesses or companies) indefinitely. Specimen and duplicate policy wordings and copy proposal forms will be provided (if available) upon request.

### **4. PREMIUMS**

Premium is due in cleared funds at inception or at the renewal date of a policy. In some cases, at our discretion, we may require the premium to be paid before cover is placed. If premium payment is not made we reserve the right to take any action we deem necessary. This may involve the cancellation of any covers placed and may prejudice any claims. Any "time on risk" or other charges will remain due and payable.

Renewal invitations for Consumers will be provided in good time. You should note that in most cases, there are no "days of grace" for the renewal of policies. Therefore, unless alternative arrangements have been made in advance, payment must be made at least five working days before renewal date to ensure no break in cover.

Instalment facilities for the payment of premiums can be arranged in most cases. These will be provided either by the Insurer or by another third party. Separate contractual conditions and charges may apply to any source of finance.

Where we are prepared to open a credit account, all invoices are to be paid no later than 28 days from the date cover is inception, unless a shorter period has been notified to you. All payments must be made without any set-off, deduction or counterclaim of any sort whatsoever. If any sum is not paid on the due date for payment, without prejudice to any other right or remedy, all sums then outstanding will immediately become due and payable notwithstanding that such sums would not otherwise be due until a later date. In addition we may:

- refuse to deal with outstanding matters, or
- charge interest at 4% over the Bank of England base rate as allowed by the Late Payment of Commercial Debt (Interest) Act 1998, or
- take any other action (including cancellation of any or all insurances) that we deem appropriate.

Statements of account will be provided on a monthly basis, as a reminder of outstanding invoices. Payment is due on presentation unless finance is being provided by an Insurer's credit scheme or another source.

Premiums are kept in a Non-Statutory Trust (NST) before being paid over to Insurers or other intermediaries. This money (subject to the FSA's Client Money Rules) is deposited with Barclays and may be amalgamated with other clients' and Insurers' money and, in line with standard industry practice, used to make advances of credit, claims and premium refunds. It will not be used to pay commission to us before we receive the relevant premium from you. We comply with the FSA conditions for operating a NST. By instructing us to place insurance on your behalf, you give your informed consent to these Client Money Procedures. If there are any matters which you do not understand, or do not accept, you should discuss them with us before proceeding.

### **5. OUR REMUNERATION**

We are normally remunerated by commission received from Insurers with which business is placed. In addition, we may charge policy, contract and administration fees. We may charge a fee (instead of or in addition to commission) related to the time and work involved in the servicing of the account. Fees and charges may be subject to Insurance Premium Tax or Value Added Tax. Commission and fees are due and earned in full when the risk attaches at inception, mid-term, and any subsequent renewal. We will be entitled to retain all fees and commission in relation to policies and other contracts placed by us. Should a policy or contract be cancelled mid-term we will refund the return premium when received by us, subject to a deduction of any commission repayable to the insurer.

Please note that details of our commission are available at any time upon request.

We may receive commission and/or overrides from other bodies such as premium funding bodies to which clients are introduced. We may also earn interest or investment income on positive client balances, and general overrides may be received from Insurers and others. All such additional income will be retained by us. Any account balance amounting to a net credit of less than £10.00 will not be refunded but will be retained by us as an administration fee.

## **6. CLAIMS**

If you are unfortunate enough to need to make a claim or require advice on claiming please contact us immediately and we will advise you of the procedures you should adopt. In particular you should not admit liability nor agree to any course of action, other than emergency measures carried out to minimise the loss, until you have agreement from the Insurer.

For legal reasons, you should note that notification of a claim to us is not deemed to be notification to the insurer. We will, of course, notify the insurer without delay.

Claims payments will normally be made in favour of the policyholder, unless the insurer has made arrangements for invoices to be discharged to a supplier. If you require a payment to be made to someone other than you, then you must tell us the name and details of the payee and provide a brief explanation for the request.

## **7. PERSONAL DATA**

Personal data is collected by the company for the purposes of establishing and arranging appropriate policies of insurance and for purposes associated therewith in the normal course of our business. It may be kept on one or more computer systems as well as in paper files. You may have a copy of the data we hold at any time upon request. We may charge a fee for this.

We are registered under the Data Protection Act 1998 and will undertake to comply with the Act in all of our dealings with your personal data. Your personal data will be kept as secure as reasonably possible. This data will be passed to Insurers, Underwriting Agencies, Claims Adjusters, Solicitors, Finance Providers and other bodies for purposes of obtaining quotations and in the normal course of our business. *You give your implicit consent for this, without which we will obviously be unable to act.* We may also pass on data to related companies in our group or to outside bodies or use it ourselves for the purposes of informing you of other goods or services that may be of use to you. Should you not wish to be contacted, please advise your usual account executive.

Where motor insurance is concerned, you should be aware that your cover and claims details will be added to the Motor Insurance Database (MID), run by the Motor Insurers Information Centre (MIIC). This has been set up to help identify uninsured drivers and may be searched by the Police, Insurers, the MIIC and the Motor Insurers Bureau to identify relevant policy information. When applying for quotations some insurers may search credit history and other data for underwriting purposes, confirming identity and combating fraud.

*Fleet Operators and Motor Traders are personally responsible under current legislation for supplying data to the MID and whilst Aults will advise on this it cannot be held responsible for any failure by a client to maintain such data.* Similar databases (such as the Claims and Underwriting Exchange) are also in operation and include details of other classes of business as well as motor.

## **8. LISTENING TO OUR CLIENTS**

We endeavour to offer a first-class service at all times. However, in the event of a complaint please notify either J R Ault, Chairman or M Wedgbury Managing Director. We will acknowledge your complaint within five working days and will endeavour to resolve the complaint within twenty working days. If our final response cannot be given within twenty working days we will write and tell you the reasons why and when you can expect to receive it. If a dispute cannot be resolved, it may be referred to the Financial Ombudsman Service. Its address is:  
The Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR Tel 0845 080 1800.

## **9 FINANCIAL SERVICES COMPENSATION SCHEME and JURISDICTION**

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from this scheme if we cannot meet our obligations. Further information about compensation scheme arrangements is available from the FSCS at [www.fscs.org.uk](http://www.fscs.org.uk).

These Terms of Business will be governed by and construed in accordance with English law. In relation to any legal action or proceedings arising out of or in connection with these Terms of Business we both irrevocably submit to the exclusive jurisdiction of the English, Welsh or Scottish Courts.