

## TERMS OF BUSINESS AGREEMENT

### YOUR ATTENTION IS PARTICULARLY DRAWN TO THE PROVISIONS OF CLAUSE 5

In this agreement, references to “we” or “us” are to **Insurance Choice**. **Insurance Choice is a registered trade mark of Insurance Factory Limited. Authorised and regulated by the Financial Conduct Authority (306164). Registered in England and Wales (02982445). Registered Office: 45 Westerham Road, Bessels Green, Sevenoaks, Kent, TN13 2QB.**

This agreement sets out the terms on which we agree to act for you. If you are a company, unless otherwise expressly stated in any written agreement between you and us, you agree to and accept the terms of this agreement on your own behalf and on behalf of each of your group companies to the extent they also receive the benefit of our services. You shall ensure that each of your group companies will act on the basis that it is bound by the terms of this agreement. All references in this agreement to “**you**” and “**your**” shall mean you and each of your group companies.

This agreement shall supersede any terms of business agreement that we may have sent to you. We reserve the right to amend this agreement from time to time in accordance with Clause 16.

This agreement constitutes an offer by us to act on your behalf. You shall be deemed to have accepted the terms of this agreement by asking us to recommend, quote for, advise on, arrange and/or otherwise deal with general insurance policies on your behalf. If you do not wish to be bound by these terms then you should not instruct us to handle your insurance needs.

#### 1. GENERAL

We are an independent intermediary, part of the Markerstudy Group of companies.

The Financial Conduct Authority (“FCA”) is an independent watchdog that regulates financial services. We are authorised and regulated by them and you can check this by visiting the FCA’s website <http://www.fca.org.uk/firms/financial-services-register> or by contacting the FCA on 0800 111 6768. Our permitted activities are recommending insurance policies (and in cases where we do not give a recommendation we will tell you); arranging insurance cover; dealing as agent and assisting with the administration and performance of policies – all in connection with general insurance.

#### Financial Services Compensation Scheme

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. You can find out further information about compensation scheme arrangements, including the FSCS’s eligibility criteria, on the FSCS website at [www.fscs.org.uk](http://www.fscs.org.uk) or by telephoning 0207 741 4100.

#### Our Services

We are an insurance broker who arranges policies through an analysis of the insurance market, including through other intermediaries. Our services may include (but are not restricted to) arranging and administering various types of general insurance policies. We arrange your insurance cover and help you with ongoing changes. In relation to the general insurance products we offer, we may provide advice, or information on the basis of an analysis of the market.

We are not tied to any particular insurer or insurers but, depending on your needs, we may only consider products available from a small group of insurers or even only a single product from a specific insurer. We will advise and make a recommendation for you after we have assessed your demands and needs. This will include the type of cover you seek together with the costs. We endeavor to place your business with insurers with adequate means to meet their obligations but cannot guarantee the solvency of any insurer. In the event of your insurer experiencing financial difficulties you may still have a liability to pay premium.

Throughout the period of insurance we act on behalf of both you and the insurer. We act on behalf of you when providing a quote and arranging cover. When we issue policy documents, handle claims and collect premiums payments, we act on behalf of the insurer.

Where available, a detailed summary of an insurance policy we arrange on your behalf will be contained in an Insurance Product Information Document (IPID). We can also supply you with a specimen copy of the insurance policy prior to purchase should you request this.

If you request or require immediate cover, we can give you this information orally; however, we will still provide you with the full terms and conditions of your policy, and a letter setting out our understanding of your demands and needs, immediately after sale. Quotations are based on the information provided by you at the time of the quotation and are valid for 30 days from that date. All premiums quoted include the government’s Insurance Premium Tax at the current rate.

We only arrange insurance for policyholders based in the United Kingdom and all premium transactions are in pounds sterling.

We can only arrange cover for you once we have firm instructions to do so. Cover is not in place until we have confirmed it with you in writing and/or we have issued a cover note. You must pay your premium before we can arrange cover for you. This may be either the full premium due or a deposit amount if we have agreed that the premium may be paid by instalments.

#### Provision of documentation by us

We will endeavor to issue your policy booklet (i.e. insurance terms and conditions) and supporting documentation on the day you arrange cover through us. In the event of your purchase being made outside of normal office hours your documentation will be issued on the next working day.

#### Awareness of Policy Terms

When a policy is issued you should read it carefully, as it is that document including the schedule and any certificate of insurance that is the basis of the insurance contract you have purchased. You should keep all policy documents for as long as a claim is possible under the policy, which may be after the expiry of the policy if you later find that an insured loss occurred while the policy was in force.

If you are in doubt over any of the policy terms or conditions, please seek our advice promptly. **In particular, please look out for and be fully aware of any exclusions, limitations, conditions and/or warranties which have been applied to your insurance. Also be aware that failure to comply with your policy terms in full may result in the termination of your policy with associated charges and/or may invalidate a claim in full or in part.**

#### 2. YOUR RESPONSIBILITIES

##### Your duty of disclosure to Insurers (and the Insurance Act 2015)

Your insurance is based upon the information provided to the insurance company. Under the terms of the Act, before a contract of insurance is entered into you must make to an insurer “a fair presentation of the risk”.

A fair presentation of the risk requires clear and accessible disclosure, without material misrepresentation, of every material circumstance which you as the insured know/ought to know; or, failing that, sufficient information to put a prudent insurer on notice that it needs to make further enquiries to reveal those material circumstances.

As a commercial customer you must disclose to insurers, **before** the setting up or renewal of your policy is concluded, any fact or circumstance which is known to you (or which after enquiry ought to be known to you) and which is material to the risk. “Material facts” are matters or information which may influence your insurer as to the acceptability or otherwise of your risk and the terms your insurer may require. They must be disclosed at the earliest opportunity and certainly at each renewal and also applies throughout the life of a policy. If you are in any doubt as to whether any information constitutes a “material fact” you must disclose it to us or your insurer.

If any document is completed in whole or in part on your behalf, it is your responsibility to check that the answers given are true and complete. You are advised to keep copies of any correspondence or documentation sent to us. Please do consult us if you are in doubt on any aspect of this.

All statements and facts disclosed either on Proposal Forms, Statement of Facts documents, claim forms and other documents must, to the best of your ability, be full, true and accurate. Your attention is particularly drawn to the importance of the declaration and signature on any documents relating to your proposal, policy and/or claim. Any failure to disclose facts material to the insurance or any inaccuracies in your answer may invalidate your insurance cover in part or in its entirety.

##### Average Clause and the implications of under insurance

Please be aware your policy may be subject to “Average”, whereby claims will be proportionally reduced if the sum insured is less than the full value at risk or where underinsurance is of a significant amount a claim could be rejected entirely. Bearing this in mind we would urge you to check the current figures to ensure that they remain adequate. The principle of Average means that if you are insured for less than the full value for that item at the time of loss, then ANY claim payment can be reduced in the proportion that the sum insured bears the full value at risk. If the under-insurance is considered significant the insurer could reject the claim entirely.

##### Proposal Forms

When a policy is taken out we will send you a copy of your Proposal Form or Statement of Fact which shows the information you have supplied. If you ask us to amend any answers, or add additional information we will send you a copy of the revisions. Please feel free to ask us for assistance with completion of your Proposal Form.

#### Provision of documentation by you

If you are required to provide supporting documentation to your insurer it is critical that this information is provided quickly. An insurer may cancel a policy if supporting information is not supplied within the time limits specified by them. We strongly recommend you use Recorded Delivery or other traceable postage method to send this information to us. We do not accept liability for failure of any delivery or postal service.

#### Motor insurance – “No Claims Bonus” information

Where relevant, you must provide written evidence of your no claims bonus proof within the timescales requested by your insurer. This previous policy must not have expired more than 2 years before the inception of your new policy with us and any no claims bonus earned cannot be used simultaneously on more than one vehicle at a time. Failure to provide evidence within this period will result in the insurer issuing the policy without the benefit of the no claims discount and/or cancelling the policy. You will be immediately responsible for the balance of the premium payable and any subsequent cancellation will be calculated on that adjusted premium and subject to the charges as outlined in the administrative charges section.

#### Understanding your policy terms

It is important that you read all your policy documentation carefully. The policy booklet (ie the insurance terms and conditions), policy schedule and any Certificate of Insurance are the basis of the cover you have purchased. Please make sure that you understand them and are able to follow their requirements. If you are in any doubt about the terms and conditions of the policy then contact us for clarification. Breach of any terms, conditions, limitations or warranties may result in the termination of your policy with associated charges or may invalidate a claim in full or in part.

#### Vehicle insurance and the Road Traffic Act

Customers are reminded that it is a criminal offence under the Road Traffic Act to leave, drive or otherwise use a vehicle on a public road without valid insurance cover being in force.

### 3. OUR LEGAL OBLIGATIONS

#### Data Protection

We are governed by the Data Protection legislation applicable in the United Kingdom. For the purposes of Data Protection Legislation, Insurance Factory Limited is the data controller.

We believe in keeping your information safe and secure. Full details of what data we collect and how we use it can be found in our privacy policy which you can access via <https://www.insurancefactory.co.uk/privacy-policy> or by requesting a copy from our Data Protection Officer (contact details below). Please also see your Insurance policy document.

Where you have given your consent to do so, we will send you information about products and services of ours or other third parties which may be of interest to you via telephone, letter or email (as you have indicated). You have a right at any time to stop us from contacting you for marketing purposes or giving your information to other third parties. If you no longer wish to be contacted for marketing purposes then please contact us by emailing [talk2us@insurancefactory.com](mailto:talk2us@insurancefactory.com).

Under Data Protection legislation you have certain rights, these include for example, a right to understand what data we hold on you and a right to ask us to amend the data if it is incorrect. If you would like to exercise any of your rights please contact our Data Protection Officer (contact details below).

If you have any questions about how we use your data, or to exercise any of your data rights please contact our Data Protection Officer at: Data Protection Officer, Insurance Choice, 45 Westerham Road, Bessels Green, Sevenoaks, Kent, TN13 2QB. Please make sure you provide your name, address, policy number and other relevant information to allow us to respond to your query. Full details of what data we collect and how we use it can be found in our privacy policy which you can access via <LINK> or by requesting a copy from our Data Protection Officer (contact details above).

You understand that all personal data you supply must be accurate.

### 4. COMPLAINTS HANDLING

We are committed to delivering a high standard of customer service at all times but in the unlikely event that you have cause for complaint you should contact us by telephone on **0121 296 3100**. Alternatively please contact the office as detailed in the letter accompanying this agreement or write to us at: **Customer Experience Team, Insurance Factory Ltd, Haden House, Unit 16 Waterfall Trading Estate, Waterfall Lane, Cradley Heath, B64 6PU**.

Where we are unable to resolve your complaint by the end of the third business day after receipt, you can expect the following from us:

We will acknowledge your complaint in writing within five working days after receipt. This will state who is handling the complaint.

We will aim to resolve your complaint within 4 weeks of receipt, unless the matter is very complicated, such as where other organisations need to be contacted. Where this is the case, we will still let you know what action is being taken and tell you when we expect to provide you with a final response.

Our goal is to ensure that you receive a final response letter within 8 weeks of receipt of your complaint. If we are still unable to provide you with a final response at this stage, we will write to you explaining why, and advise when you can expect a final response.

If more than 8 weeks from the date of your complaint has passed and you have not received a final response, or if you remain dissatisfied with our response to your complaint, you may be able to refer the matter to the Financial Ombudsman Service. You can find out further information about the Financial Ombudsman Service, including their eligibility criteria, on the Financial Ombudsman Service's website at (<http://www.financial-ombudsman.org.uk>). Full details of our complaints handling procedures are available on request.

Alternatively, the EU has introduced a new procedure that you may be able to use. This is the Online Dispute Resolution Platform, and you can find out more about it at <http://ec.europa.eu/consumers/odr>.

### 5. LIMITATIONS/EXCLUSION OF LIABILITY

**Your attention is specifically drawn to this clause, which limits or excludes our liability to you.**

Nothing in this agreement shall exclude or limit our liability for (i) death or personal injury caused by our negligence; (ii) fraud or fraudulent misrepresentation; (iii) breach of regulatory obligations owed to you and/or (iv) any other liability which cannot be limited or excluded by applicable law.

Subject to the qualification in the above paragraph, we shall not be liable to you, whether in contract, tort (including negligence) or otherwise arising under or in connection with this agreement for (i) any economic loss; (ii) loss of profit and/or loss of business; (iii) loss of sales; (iv) loss of anticipated savings; (v) loss of use or corruption of software, data or information; (vi) damage to goodwill; (vii) any indirect or consequential loss; (viii) losses arising in connection with the insolvency of any insurer (including, without limitation, any shortfall in premium refunds and/or claims payments); and/or (ix) for failure of delay of any postal service or other means of communication (including email and/or websites) that you may use to contact us.

**Subject to the qualification in the paragraph at the head of this clause, our liability for losses suffered by you as a direct consequence of any negligent performance of our services shall be limited in all circumstances to £5,000,000 per claim. In respect of any other claim arising under or in connection with this agreement and/or the performance (or non-performance) of our services, our liability shall be limited to the amount of commission and fees which we have received for arranging your insurance cover during the 12 months prior to the date of the event which gave rise to your claim.**

You are welcome to contact us to discuss increasing the limitations of our liability and/or varying the exclusions set out above. Please note however that an additional charge and other terms may apply should we agree to amend this clause.

### 6. CLAIMS

We have no authority to handle claims on behalf of insurers but can advise you on who to phone and how to make your claim. In the event of an accident which may give rise to a claim under your policy, whether you believe you are liable or not, you should notify us by calling the Claims Helpline number shown on the covering letter accompanying these terms as soon as possible. If you do not do so it may result in your insurer refusing to accept a claim in whole or in part. You must not settle, reject, negotiate or agree to pay any claim without written permission from your insurer. Full details of how to claim are included in your policy documentation.

## 7. OUR FEES AND ADMINISTRATIVE CHARGES

In addition to the premiums charged by insurers, we make charges for our professional services to cover the administration involved in arranging, amending or renewing your insurance. The charge payable for these services will be confirmed at the time of quotation and is shown on the separate 'Statement of Price' which will be sent to you with your policy booklet and/or supporting documentation. For policy renewals the charge is shown separately on your renewal invitation letter. In addition some insurers pay us a commission which is a percentage of the total annual premium. Details of which insurers pay us a commission can be found in the Insurer Panel Information document.

The amount of any arrangement fee will have been communicated to you prior to the conclusion of your contract of insurance, and the amount of this fee will be displayed on the communication that accompanies your new business or renewal documentation. We offer a diverse array of commercial products, and it is not practical to list all arrangement fees individually here.

All other fees that we will charge are shown in the table below:

Direct Debit Arrangement Fee	£25.00
Mid-term Alterations	£50.00 charge
Missed Payment Charge	£45.00 ( <i>£15.00 by us and £30.00 by our Finance Provider</i> )
Returned Cheque/Chargeback	£10.00
Cancellation	£40.00 charge
Policy Voidance Fee	£25.00 <i>Where we are instructed by your insurer to avoid the contract of insurance from inception we will retain a fee to cover our administration costs</i>
Debt Collection	£25.00 (minimum) <i>To cover the cost of debt recovery via a debt collection agency. Notice of any intended use of a debt collection agency will be sent to you prior to submission</i>

## 8. COMMISSION

In addition to the fees and charges described above, we usually also receive commission from your insurer when we place a policy with them. This commission will be calculated by reference to a percentage of the premium that you have paid. If your policy is cancelled or altered mid-term, we may also make a charge equal to the amount lost to us in commission reclaimed by insurers.

We may also receive additional payments such as a profit share or profit commission from insurers. Broadly, these will be calculated based upon certain volume / performance criteria which apply to all business that we have placed with the relevant insurer during that year. Because of the nature in which these payments are calculated it is impossible to specify in this agreement what those payments may be.

We may also earn income from making referrals to premium finance companies.

**We are committed to transparency in our relationship with you. You can at any time request information regarding any remuneration which we may have received as a result of placing your insurance business.**

## 9. CANCELLATION OF INSURANCE POLICY

### Cancellation

You have the right to cancel your policy at any time by contacting us by email, telephone or in writing; this will cancel all cover including add-on products which are attached to your policy. If your policy is cancelled before it starts you will receive a full refund of premium. Please note, once the policy has started that cancellation rights vary between insurers, and you should check your policy documentation if you are considering cancelling your policy. Your insurance contract may include a cancellation clause. 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. In the event of cancellation, charges for our services will apply in accordance with Clauses 7 and 8 above. If the policy is cancelled within the first fourteen days from when it commenced, a proportion of the arrangement fee and commission will not be refunded. If the policy is cancelled after the first fourteen days from when it commenced, the arrangement fee will not be refunded and we will also make a charge equal to the amount lost to us in commission reclaimed by insurers.

### Time on Risk / Short Period Charges

If you cancel your policy in the first year with a new insurer it is very likely that they will charge what is known as short period rates. This will mean that the percentage of premium charged will be greater than the percentage of elapsed time. You should ensure that you understand the total charge being made before you cancel any existing insurance policy.

### Minimum and Deposit

Some classes of business charge what is known as minimum & deposit premiums. This means that the amount charged is the minimum premium underwriters will accept for the risk and there will be no return premium for early cancellation. It also means that whilst these policies are adjustable and additional premiums may be payable, on increased activity such as turnover, they do not adjust down and therefore no return premium is payable for reduced activity.

### Policies Cancelled by Us or the Insurer

If your policy is cancelled by us or the insurer, for reasons such as misrepresentation, failure to disclose or failure to make payment when due, we will give you at least 7 days' notice in writing to your last address notified to us. In the event of cancellation, charges for our services will apply in accordance with Clauses 7 and 8 above, and any arrangement fees incurred at inception of the policy will not be refunded. The terms of your policy may allow insurers to limit refund of premium to the remaining period of cover left after the cancellation date.

### How to cancel

To exercise your right to cancel, please contact us at the address or telephone number shown on the front of this communication. Please note we can only cancel a policy effective from the time and date of your request being confirmed.

## 10. OUR RIGHT TO SET OFF MONIES YOU OWE US

We shall be entitled (but not obliged) without notice to you to set off any amounts due to us from you against any amounts which we may receive on your behalf (such as claims monies, refunded premiums and other sums).

## 11. PAYMENT OF PREMIUMS AND REFUNDS

Unless otherwise agreed and formalised by a premium instalment plan, all premiums are due on the day cover is arranged, the date the policy is due for renewal or the date of any mid-term adjustment.

### Payment by instalments

We may be able to make arrangements for your premium to be paid by a finance company so that you can pay by instalments if this is more appropriate for you. This works in the same way as a loan. The finance company pays your premium and you pay back the finance company by monthly instalments including any interest that the finance company may apply. If you choose to pay by Direct Debit, your monthly instalment plan will be financed by Close Brothers Premium Finance (CBPF), we receive commission from the finance provider for introducing you to them. CBPF will send you a welcome pack which will include a credit agreement. In assessing your application CBPF will search the public information a credit reference agency holds about you. The credit reference agency will add details of the search to their records whether or not the application for credit proceeds. This and other information may be used to make credit decisions about you and to undertake checks for the prevention and detection of money laundering. Failing to make a payment when it is due will result in cancellation of the credit agreement and may result in cancellation of your insurance.

Please note that paying by instalments does not provide a month's insurance cover at a time; it is simply a more manageable way of paying your premium. You will be responsible for paying the monthly instalments as they fall due. In the event of any due payment not being made, the overdue payment must be made immediately. A missed payment charge will be incurred for the failed payment. See your agreement with the finance company for specific details. In the event of late payment we may commence the cancellation procedure in accordance with the policy conditions.

If an insurance policy is cancelled, any refund provided by the insurer after deduction of any charges (please see our cancellation policy for details) will be used against the outstanding balance on your instalment plan. Any remaining charges will need to be paid in full and we may use the services of a debt collection agency if the balance remains outstanding. Similarly if there has been a claim on the policy the insurers will retain the full premium but the full amount will still need to be paid to the finance company.

If you cancel your direct debit mandate to suspend payment of a finance arrangement, this may lead to our early termination of your policy and associated charges but will not automatically cancel your insurance policy. You should always write to us in accordance with our cancellation policy to cancel your insurance.

### Withholding Documents

We have the right to withhold essential documents, such as evidence of no claims bonus, until due payments have been made and any cheques cleared. We will provide any documents you are

required to have by law.

#### **Refunds**

Any refunds will be issued to you within 30 days of the date of the transaction. Most refunds are issued back to the method that original payment was made with. The minimum amount we will refund is £10.00, therefore any refund below this amount will not be given.

#### **12. AUTOMATIC RENEWAL AND CONTINUOUS PAYMENTS**

When you pay a deposit or in full by card we may set up a continuous payment authority (CPA). This will allow us to take payments automatically when they are due, including for renewals and amendments or charges or where a payment can't be collected by a direct debit agreement. This means you don't have to provide new details for each payment and ensures your insurance continues uninterrupted. We will contact the policyholder to inform of any payments that are due to be taken or if there are insufficient funds in the account to collect the payment. If a payment cannot be taken then the policy may be cancelled.

To make the process of renewal easier we may automatically renew a policy and take payment by the same payment method as the previous year, unless you request otherwise. If you were paying by monthly instalments, your finance company will issue a new agreement and will continue to collect direct debits from your account; should the direct debit fail we may debit payment from the card which the original deposit was debited from to ensure continuity of cover. If you paid in full we will collect the renewal premium from the same card. We will always write to you before we automatically renew any policy and give you the opportunity to contact us to cancel the renewal.

If your policy is not eligible for automatic renewal we will write to you prior to your renewal date to remind you that your renewal is due and to advise you how much the new premium will be. You will need to contact us to arrange renewal.

#### **13. HOW WE HOLD YOUR MONEY**

Premiums that we collect from you are held in an insurance broking bank account specifically for the purpose of holding client money. By virtue of agreements held with insurers, we collect premiums as agent of the insurer. Once we have collected the premium from you, under the terms of our agreements with insurers, those premiums are treated as having been paid to the insurer. This gives you added protection in the event of our insolvency. Similarly, any claim money given to us by your insurer to pay you will only be deemed to have been received by you when you receive it.

#### **Earning interest on customer premiums**

We hold premiums that you pay us in our client money bank account. Under Financial Conduct Authority regulations we have to inform you that we may earn interest from money held in this account. Interest earned will not be held for the benefit of customers. We may also invest these premiums in a range of permitted designated investments as prescribed by the Financial Conduct Authority. In the event that there is any shortfall in our client money resource attributable to falls in the market value of any of these permitted designated investments we shall make provision for, and bear the cost of, any such shortfall.

#### **Customer money passed to another organisation**

In accordance with Financial Conduct Authority regulations we have to inform you that in managing or arranging your insurance requirements, we may transfer premium monies that you have paid to us to another insurance intermediary. This has no effect on your insurance arrangements with us as your broker or your insurer, or in the manner in which we hold your money as agent of your insurer as described above.

#### **14. GOVERNING LAW**

Unless specifically agreed otherwise, this agreement shall be subject to the law of England and Wales and the parties agree that any dispute arising out of it shall be subject to the non-exclusive jurisdiction of the English Courts.

#### **15. GENERAL**

A failure at any time by us to enforce any right or obligation shall not be deemed to be a continuing waiver of such right or obligation.

We may freely assign or delegate all or any part of this agreement and/or the services to any third party only where such assignment or delegation ensures that your rights under this Agreement will not be prejudiced. You may not assign all or any part of this agreement without our prior consent, such consent not to be unreasonably withheld or delayed.

A person who is not a party to this agreement has no rights under the Contracts (Rights of Third Parties Act) 1999 to enforce or enjoy the benefit of any term of this agreement.

The invalidity, illegality or unenforceability of any of the provisions of this agreement shall not affect the validity, legality or enforceability of any of the other provisions of this agreement.

#### **16. VARIATION**

We reserve the right to vary this agreement where we are required to do so in order to comply with any legal or regulatory obligation. We will give you reasonable notice of such changes. If we wish to amend this agreement for any other reason we shall give you not less than 21 days' notice of such variation. You shall have the option to terminate this agreement within 30 days of such notice.