

## **TERMS OF BUSINESS AGREEMENT**

### **BROADHURST & COMPANY INSURANCE BROKERS**

**BRIDGE HOUSE, 13 BRIDGE ROAD, WEST KIRBY, WIRRAL, CH48 5EX**

#### **The Financial Conduct Authority (FCA)**

The FCA is the independent watchdog that regulates financial services. Use this information to decide if our services are right for you.

#### **Who regulates us?**

Broadhurst & Company, Bridge House, Bridge Road, West Kirby, Wirral, CH48 5EX is authorised and regulated by the Financial Conduct Authority. Our FCA registration number is 304799. Our permitted business is arranging general insurance contracts. You can check on the Financial Services Register by visiting the FCA's website: [www.fca.org.uk/register](http://www.fca.org.uk/register) or by contacting them on 0800 111 6768

#### **Whose products do we offer?**

We offer products from a fair analysis of the market.

We only offer products from a single insurer for legal expenses insurance.

#### **Which services will we provide you with?**

We will advise and make recommendations for you after we have assessed your needs.

#### **What will you have to pay us for our services?**

No fee unless clearly identified. We reserve the right to make charges or fees in addition to any insurance premiums, for the arranging, amending, renewing and the cancellation of any insurance policy and for providing copy documents. This will be clearly identified and subject to a minimum of £25.00. You will receive a written quotation, which will tell you about any other fees relating to any particular insurance policy. We may receive commission from insurers which we may take upon your cleared funds or when insurers allow. We confirm that prior to the conclusion of each insurance contract or at renewal, upon request you have the right to be advised of the level of commission which we receive from insurers. You are entitled at any other time to request information regarding any commission which we may have received as a result of placing your insurance business via ourselves.

Apart from earning a fee or brokerage or a commission, we may also benefit from other remuneration generated from (a) arrangements with the insurers to provide administration and support of other services, including where we act as agent for insurers, and (b) our relationship with other insurers whether or not identifiable to any specific client or account, when our clients determine they wish to benefit from services provided to these companies. We also receive commission for arranging finance agreements for the payment of insurance premiums and this is usually expressed as a percentage of the individual loan and is paid to us directly by the premium finance provider. We may also receive a commission or fee for passing introductions to other professional firms. Such remuneration is only earned on the basis that it does not in any way detract from or conflicts with our acting in your best interest, which is paramount at all times.

#### **What to do if you have a complaint**

If you wish to make a complaint, please contact us:

In writing to: Mr Robert Graham (Complaints Officer), Broadhurst & Company, Bridge House, Bridge Road, West Kirby, Wirral, CH48 5EX or By Telephone: 0151 625 6411

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

If we cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service

#### **Are we covered by the Financial Services Compensation Scheme (FSCS)?**

We are covered by the FSCS. If we are unable to meet our obligations, you may be entitled to compensation from the FSCS. If we have advised or arranged insurance for you this will be covered for 90% of a claim, without any upper limit, however claims under compulsory insurance, professional indemnity insurance and certain claims for injury, sickness or infirmity of the policyholder are protected at 100%. Further information is available from the FSCS helpline on 0800 678 1100 or 020 7741 4100 and [www.fscs.org.uk](http://www.fscs.org.uk).

#### **Statutory Trust:**

We hold client money under a Statutory Trust. A Statutory Trust client bank account only allows us to use the money held in trust on behalf of a customer for paying that customers' premium to an insurance company and to pay premium refunds or claims we receive from that insurance company to the customer, once the premium has been received from that insurance company. We cannot use that customer's money to pay another customers premium or refund. We do not pay any interest on premiums held by us in the course of arranging and administering your insurance, unless, in the case of consumer transactions we receive more than £20 per transaction, and then we will ask for your permission to retain the interest. Unless you tell us otherwise, you are consenting to us holding your money in this way.

#### **Definitions:**

a) We/us means Broadhurst & Co of Bridge House, Bridge Road, West Kirby, Wirral, CH48 5EX.

Tel: 0151 625 6411, Fax: 0151 625 5491

E-mail: [info@broadhurstinsurance.co.uk](mailto:info@broadhurstinsurance.co.uk)

#### **Status:**

We act as an Independent Intermediary (Broker) on your behalf. We offer a range of Insurance products and our service includes: advising you on your Insurance needs; arranging your insurance cover with insurers to meet your requirements and helping you with any subsequent event or alteration to your insurance that we have placed on your behalf. We place insurance with a number of insurers and we will advise you should we have any special arrangements with them or should you have to deal directly with the insurer for ongoing policy administration. We may issue policies and handle claims on behalf of some insurers. For certain types of insurance we represent only one company and we will advise you should this be the case. We will also advise you should we place your insurance through another intermediary.

#### **Disclosure of Information:**

It is important that you understand that any information, statements or answers made by you to us, or your insurer are your responsibility and must be correct. Your attention is particularly drawn to the importance of the declaration and signature on any Insurers' Proposal Forms or Statement of Fact. You are advised to keep copies of all documentation sent to or received from us for your own protection. Please consult us if you are in doubt on any aspect.

#### **PLEASE ALSO SEE THE IMPORTANT INFORMATION STATEMENT OF THE FINAL PAGE OF THIS DOCUMENT**

#### **Notice:**

Insurers pass information to the Claims and Underwriting Exchange run by Insurance Database Services Ltd. and the Motor Insurance Anti-Fraud Theft Register run by the Association of British Insurers. The aim is to check information provided and also prevent fraudulent claims. Motor insurance details are added to the Motor Insurance Database run by the Motor Insurers Information Centre, which has been formed to help identify uninsured drivers and may be searched by the police to help confirm who is insured to drive. In the event of an accident the database may be used by insurers and the Motor Insurers Bureau to identify relevant policy information.

#### **Security of Insurers:**

We cannot guarantee the solvency of any insurer we place business with, and do not accept liability for any unpaid amount

#### **Transferred Business:**

If we take over the servicing of insurance policies, which were originally arranged through another insurance broker, or directly with the insurer, we do not accept liability for any claim arising out of the advice given by that broker, intermediary, insurer nor for any errors, omissions or gaps in your current insurance protection. Accordingly we would ask you to contact us without delay should any aspect of a policy, which has been transferred to us, cause you concern, or if you need an immediate review, otherwise we will endeavour to review all transferred policies as they fall due for renewal.

#### **Consumers/Commercial Clients:**

Certain points may not be applicable to you if you are a commercial client – cancellation rights may not apply.

#### **Receipt of Instructions - Awareness of Policy Terms:**

When a policy is issued you are strongly advised to read it carefully, as it is that document, the schedule and any certificate of insurance that is the basis of the insurance contact you have purchased. If you are in any doubt over any of the policy terms or conditions, please seek our advice promptly.

We do not consider instructions to arrange or change cover sent to us by post, electronic mail or facsimile, or left on answering equipment to have been received until they reach the relevant personnel in our office and are acted upon. We cannot accept responsibility for instructions, which do not reach us due to any failure in postal, electronic or telecommunication systems.

**Policy Documentation:**

Our policy is that policy documentation will be issued in a timely manner. Your policy documentation will confirm the basis of the cover, give details of the insurers and the total premium payable. Prior to the conclusion of the contract you will be given a statement of demands and needs - you should read this carefully. It will set out your demands and needs and confirm whether the contract has been personally recommended and, if so, the reasons for making that recommendation. You will be provided with renewal terms in a durable medium in good time before expiry of the policy, or notified that renewal is not being invited. Attached to the renewal terms will be a statement of any changes to the terms of the policy, and changes to directive-required information (information required under the EU Directives), statement of price and information about cancellation. You will be given an explanation of any changes, where necessary and in good time, which may appear in your policy and you will be advised of your right to request a new policy statement. If renewal is not being offered you will be notified no less than 21 days before expiry of the policy. It is our policy to retain documents for business effected on your behalf in electronic or paper format for up to 6 years. For some types of insurance cover it is possible that a claim may be made under a policy long after its expiry date and it is therefore important you keep such documents safely.

**Payment of Premiums:**

Premiums should be paid promptly. This means that the premium should reach us before 15 days of renewal or inception of the policy. If you do not meet this criterion, we cannot be held responsible for any claim declature by your insurer on the grounds of non or late premium payment. If you place an order for business with us and your order is subsequently withdrawn and you are liable for any short period rates or other premium charges by the insurers, you shall pay that premium or charges within 15 days. In the event of your not paying the premium by the due date, or in the event of your defaulting for any reason on any premium instalment plan, you agree to pay the premium when requested, together with interest calculated daily on the Barclays base lending rate +3%, together with any legal fees or debt collection fees incurred in pursuit of the premium due. Please note that your policy will cease if you fail to keep up payments on an instalment agreement or premium finance agreement related to it.

**Payment Options:**

We accept payment by Cash (subject to limit), Cheque, Debit Cards, Credit Cards, Bank Transfer (please ask for bank details) or Premium Finance through Close Premium Finance (please ask for details). We will provide you with full details of all the payment options available to you when we provide you with your insurance premium. If you choose to enter in a finance arrangement, your details will be passed to a third party (insurer or lender) to enable them to contact you and you should contact us at the address given in this document if you do not want your details passed to that party. This finance arrangement will be subject to interest charges that we will confirm to you when providing the full details. Importantly, the arrangement you will enter into will be with the finance company not us. It is an entirely separate contract irrespective of the insurance contract. In the event of your failure to meet with the contractual obligations regarding payment the finance provider could approach the insurer to seek a termination of the insurance contract to recoup their outstanding finance arrears. You will be liable to pay their costs and charges if you do not keep up your repayments and cover is cancelled under your policy. This is because the agreement is between you, the policyholder and the finance company direct, not us or the insurer. It is important that you read the finance agreement that is sent to you before you agree to enter into such an agreement. We do not charge any fees to you for introducing you to a credit provider. If you are a consumer as defined under the Consumer Credit Act, you will have the benefit of a 14 day cooling off period. Please note that we only use Close Brothers Premium Finance for the provision of premium finance facilities. **It is important that you read the finance agreement that is sent to you before you agree to enter into such an agreement.**

**Payment to Third Parties:**

We may transfer client money to another person, such as another broker or settlement agent, for the purpose of effecting a transaction on your behalf through that person. This may include brokers and settlement agents outside the UK. The legal and regulatory regime applying to a broker or settlement agent outside the UK may be different from that of the UK and, in the event of a failure of the broker or settlement agent, this money may be treated in a different manner from that which would apply if the money were held by a broker or settlement agent in the UK. You may notify us if you do not wish money to be passed to a person in a particular fashion.

**Conflicts of Interest:**

As independent insurance brokers we act as the agent of our client, we are subject to the Law of Agency which imposes certain duties on us, we also have proper regard for the interest of others, including the insures for whom we act. Where we become aware of any actual or potential conflict of interest we will inform you of the situation, the options available to you and obtain your consent before we carry out your instructions.

**Treating Customers Fairly:**

We have always valued our customers and are pleased to have embodied the six core principles relating to this - full details available upon request.

**Cancellation Clause:**

Your insurance contract may include a cancellation clause, for certain policies there is a 14 day cooling off period - see insurers' policy wordings/renewal schedule detailing the costs. Where your policy provides a private benefit, you have a legal right to cancel your policy, for any reason, after receiving this information following the conclusion of the contract. A cancellation clause is mandatory for all consumers. The cancellation period is 14 (fourteen) days from the day after you receive this information. Following the conclusion of the contract, any return premium will be calculated on a pro rata basis. In the event that you fail to pay your premium by the due date the insurance may be cancelled forthwith or by the insurers, giving notice of the cancellation. Once our remuneration has been earned, in the event that the insurance is cancelled after inception, our fees or brokerage will not usually be returnable. You will need to provide us with a written request to cancel before expiry of the 14 days to the following address: Bridge House, Bridge Road, West Kirby, Wirral, CH48 5EX.

Where you elect to pay the premium under a Finance Agreement with a third party provider, in the event of you defaulting we reserve the right to cancel the policy and in some circumstances the debt will be passed to the finance company to recover. We may also charge you any balance of premium due and administration charges.

**Cancellation of the Agreement:**

Our agreement may be terminated by one of us giving 14 days notice in writing to the other. In the event that our services are terminated by you, we will be entitled to receive any fees or brokerage payable.

**Quotations:**

Unless agreed any quotation given will remain valid for a period of thirty (30) days from the date of the quotation.

**Claims:**

If you have occasion to claim on your policy you must notify us immediately and we will promptly advise you and, if appropriate issue you with a claim form and pass all details to your Insurer. You should not admit liability nor agree to any course of action, other than emergency measures to minimise the loss, until you have agreement from your insurer.

We will provide you with every assistance in obtaining reimbursement, but in the event an Insurer becomes insolvent or delays making settlement, we do not accept liability for any unpaid amount.

**Please note our opening hours are 09:00 – 17:00 Monday – Friday. If you need to notify a claim outside these hours, please use the contact information shown in your Policy Documents.**

## LIMITATION OF LIABILITY - IMPORTANT NOTICE

1. This section forms part of our Terms of Business. We accept instructions to act on your behalf strictly subject to the following limitation upon our liability.

2. Our liability to you for any act or omission (including breach of contract or negligence and/or the negligence of any other parties in respect of which we are legally liable to you), whether such liability be in damages, equitable compensation or otherwise, shall not exceed the sum of £1,000,000 or its equivalent from time to time in Euros or any other relevant or appropriate currency in respect of any one transaction or series of related transactions. This figure has been carefully chosen in order to enable us to offer reasonable redress to our clients in the event of a claim, whilst enabling us to retain competitive levels of fees and commissions and make appropriate arrangements to ensure that any proper claim is met.

This section does not apply to awards made by the Financial Ombudsman Service in the exercise of his compulsory jurisdiction.

3. In section 2 above:

i. 'Negligence' means a breach of any obligation upon us to take required care, whether that obligation is imposed by virtue of a term (express or implied) of any relevant contract, or by the law of negligence, or otherwise;

ii. 'Transaction' means any professional service provided by us to you, including (but not limited to) the arranging of insurance, advising on insurance cover and/or on particular wordings, notification of claims to insurers, and claims handling generally;

iii. 'A series of related transactions' has its ordinary meaning (save that 'transaction' has the meaning given at (ii) above), but includes (without limitation), (a) transactions concerning, connected with or arising out of the same policy of insurance or reinsurance arrangement, or, (b) where different policies or arrangements insure or reinsure (as the case may be) all or some of the same risks, transactions concerning, connected with or arising out of some or all of those policies or arrangements.

4. We are always prepared to discuss increasing the limit of our liability specified in this section in relation to any individual engagement, if particular reasons exist, but we reserve the right to decline to increase the limit or (in the event that we agree to increase it) to make an additional charge or to impose alternative or additional conditions. No agreement to increase the limit shall be valid unless made in writing and signed by a partner in Broadhurst & Co.

5. Under these Terms of Business, you agree not to make any claim against any employee, director, partner, consultant or other individual connected with us. See paragraph 6 below. However, it is also understood and agreed that if for any reason the provisions of paragraph 6 hereof are held to be invalid or unenforceable in whole or in part, any claim made by you against any employee, director, partner, consultant or other individual connected with us is also subject to the limit of liability of £1,000,000 contained in this clause, and you understand and agree that any such individual may avail himself of this limitation.

6. You agree:

i. That your remedies in relation to the provision of professional services by us, arising out of or in connection with this engagement, lie exclusively against us and not against any employee, director, consultant or partner as individuals;

ii. That you will not make any claim and/or bring any legal proceedings against any employee, director, partner, consultant or other individual, in respect of any act or omission by any such person or persons (whether negligent or not). You understand and agree that the provisions of this clause may be enforced by any employee, director, partner, consultant or other individual connected with us in accordance with the Contracts (Rights of Third Parties) Act 1999

**Note: Your acceptance of these Terms of Business does not affect your normal legal rights.**

## IMPORTANT INFORMATION

### WARNING – CONSUMERS (WHERE THE MAIN PURPOSE OF THE CONTRACT IS FOR PRIVATE USE)

#### Your duty to give information

When applying for or amending your insurance policy, we and / or your insurer will ask a number of questions to assess the risk prior to agreeing cover. It is your duty to ensure that you answer all questions raised by insurers or us honestly and reasonably. These questions are designed to enable us or the insurer to obtain a comprehensive picture of the nature of the risk to be insured, and only by asking such questions and receiving answers which are given honestly and with reasonable care, can we or the insurer be in a position to offer terms which are designed to meet your demands and needs.

This reason why this is vital and extremely important is that if you fail to tell us or the insurer something when asked, or, if you answer carelessly or act deliberately or recklessly in making misrepresentations when answering questions, your policy may leave you with no insurance protection; insurers may not pay a part or all of your claim and may cancel your policy. You may find it difficult to re-arrange cover because you did not tell an insurer everything when asked, and you will have to disclose this fact when you reapply for insurance.

**FAILURE TO ANSWER QUESTIONS HONESTLY AND REASONABLY, WHEN ASKED, MAY LEAVE YOU WITH NO COVER AND A CLAIM NOT PAID.**

### WARNING – COMMERCIAL CUSTOMERS (OR WHERE THE MAIN PURPOSE OF A CONSUMER CONTRACT IS NOT FOR PRIVATE USE)

#### YOUR DUTY TO GIVE INFORMATION

IT IS IMPORTANT THAT YOU UNDERSTAND YOU HAVE A LEGAL DUTY (FOLLOWING A REASONABLE SEARCH) TO MAKE A FAIR PRESENTATION OF THE RISK TO US AND YOUR INSURERS, AND PROVIDE ALL MATERIALLY IMPORTANT INFORMATION WHICH IS KNOWN OR OUGHT TO BE KNOWN BY YOUR OWN SENIOR MANAGEMENT TEAM INCLUDING THOSE RESPONSIBLE FOR ARRANGING THE INSURANCE AND ANY AGENTS ACTING ON YOUR BEHALF.

THIS DUTY APPLIES NOT ONLY WHEN YOU TAKE OUT YOUR INSURANCE, BUT ALSO THROUGHOUT THE LIFE OF YOUR ARRANGEMENT, AT THE ANNUAL RENEWAL OR AT ANY OTHER TIME WHEN CHANGES OCCUR.

Materially important information is any information that could influence an insurer's decision to accept your risk including the cost of your insurance. For example, details of previous insurance claims that you have made, or reported, personal information about you, such as Criminal Convictions (you have a duty to give this information even when the insurance relates to a business and not you), general information about the risk, such as the construction of a building, (for example, concrete floor, timber frame with brick, stone, and a slate roof)

IF YOU ARE NOT SURE HOW MUCH INFORMATION TO PROVIDE OR DO NOT UNDERSTAND THE QUESTION PLEASE ASK.

This reason why this is vital and extremely important is that if you fail to tell us something, your policy may leave you with no insurance protection; insurers may not pay any claims in full and may cancel your policy. You will find it difficult to re-arrange cover because you did not tell an insurer everything, and you will have to disclose this fact when you reapply for insurance.

**FAILURE TO DISCLOSE THESE FACTS MAY LEAVE YOU WITH NO COVER AND A CLAIM NOT PAID**

### WARNING

#### Warranties and Conditions Precedent

Your policy contains a number of WARRANTIES and CONDITIONS PRECEDENT. These are very important terms which you must comply with word for word, otherwise the insurer might not pay any claims and might cancel your policy from the start. Failure to comply with these terms may leave you with no insurance cover and your claim not being paid.

An insurance warranty is not a guarantee; it typically means that you must comply with terms in order that your insurance protection remains operative.

Conditions Precedent: Some conditions do impose a responsibility on you to have done something or completed something before a certain section of the policy will operate. If you do not do the thing stated, cover will not be in place.

**FAILURE TO COMPLY MAY LEAVE YOU WITH NO COVER AND A CLAIM NOT PAID.**

### IMPORTANT

Warranties are not always referred to as such within a policy and schedule. They may be referred to as conditions, endorsements, special terms as well as warranties.

It is important that you look out for these and if you have any doubt about a particular statement, please ask us for advice.

**FAILURE TO COMPLY WITH THESE MAY LEAVE YOU WITHOUT ANY COVER IN THE EVENT OF A CLAIM AND THE CLAIM MAY NOT BE PAID.**