

# TERMS OF BUSINESS AGREEMENT

BHIB Limited TOBA V10 October 2020

## Introduction

This document supersedes all Terms of Business previously issued by us. It sets out the terms upon which we agree to act for our clients and contains details of our regulatory and statutory responsibilities. It also sets out some of your responsibilities. Please read it carefully. This Terms of Business Agreement comes into force on the day you receive it from us and will remain in force until you are provided with revised terms.

Please contact us immediately if there is anything in these Terms of Business which you do not understand or with which you disagree.

## About Us

BHIB Insurance Brokers is a trading name of BHIB Limited ("BHIB"), an insurance intermediary. Our registered address is: AGM House, 3 Barton Close, Grove Park, Enderby, Leicester LE19 1SJ.

E-mail: [enquiries@bhibinsurance.co.uk](mailto:enquiries@bhibinsurance.co.uk). BHIB Limited is registered in England and Wales, number 829660 and is a wholly owned subsidiary of Brokerbilty Holdings Limited.

## Regulation

We are authorised and regulated by the Financial Conduct Authority (FCA), number 116675 and registered in England and Wales, number 829660. Our permitted business is introducing, advising, arranging, dealing as agent and assisting in the administration and performance of general insurance contracts and credit broking. This can be verified by contacting the FCA, 12 Endeavour Square, London E20 1JN, telephone number 0800 111 6768, website [www.fca.org.uk](http://www.fca.org.uk). We abide by the FCA Rules and Guidance for General Insurance. We hold and maintain Professional

Indemnity insurance, as required by the FCA.

We are also members of the British Insurance Brokers Association (BIBA) and the Chartered Insurance Institute (CII)

## Our Service

As an insurance intermediary, acting on your behalf, we provide both advised and non-advised services. We will ask questions to enable us to assess reasonably your insurance requirements, this may include checking information that we already hold about you and your existing insurance arrangements with us and other parties.

Our on-line services are non-advised and we will provide you with information only. We will not provide you with any advice or specific recommendations and we will only deal with a single insurer when providing online services.

Where you contact us directly (e.g. telephone, face to face meeting, email etc.), our services will be advised and we will provide you with advice and guidance, after assessing what you want and need and recommend a suitable policy based on our experience of dealing with similar risks. Where we provide you with advice this is done on all types of general insurance products and BHIB are not tied to any one insurance company.

We are, however, tied to a single insurance provider when our offering is by way of provision of a scheme for particular sectors or classes of business.

Generally, we provide a fair and personal analysis of the market, however, for certain products we may only deal with a single insurer or select from a limited number of insurers as advised to you. The names of the insurers are available on written request. We will discuss your insurance requirements with

you, including the scope of cover required, limits to be sought and pricing. Alternatively, if you confirm it in writing to us, we can place your risk without providing any advice. We will also provide advice on your payment options (if available) and, if premium finance is available for your insurances and is required, we can arrange this with your insurer or a specialist provider, as agreed with you.

Upon receipt of your instructions, whether written or verbal, we will endeavour to satisfy your requirements in your best interests. However, we will not in any circumstances act as an insurer nor will we guarantee or otherwise warrant the solvency of any insurer. A liability for premium, whether in full or pro rata, may arise under policies where a participating insurer becomes insolvent. We regularly monitor the financial standing of insurers available to us and we will discuss with you any concerns that may arise.

During the course of the placement of your insurance we will keep you informed about the progress of our negotiations and will identify any inability to fulfil your requirements. We will take all reasonable steps to confirm your insurance requirements before the intended date of inception, renewal or extension of cover (whichever is appropriate). Where services are provided on an advised basis, we will provide you with all relevant information about the insurance cover we recommend, including the basis on which the product and the provider have been selected, enabling you to make an informed decision about whether or not to proceed. We do not act for every insurance company and therefore cannot guarantee that the cost of your insurance cover will be the cheapest in the market or that the policy wordings will provide the widest cover. However, we endeavour to provide cover commensurate with your risks and requirements. We will advise you if the product recommended is not regulated by the FCA.

When you contact us directly, our services

(telephone, face to face meeting, email etc.) will extend to advising you and making a recommendation on your risk exposure and insurance needs, arranging cover as instructed, dealing with mid-term alterations, claims assistance in relation to insurance policies we have arranged and renewal advice and processing and premium finance. We act on your behalf in selecting an appropriate policy, and associated premium finance, to meet your needs and in assisting you with claims matters. We may either act on your behalf, or on behalf of the insurer, in arranging your cover. Please let us know if you would like confirmation of the situation for any policies arranged for you.

### Methods of Communication

We will normally communicate with you by post, telephone, email and, where available, facsimile, or direct messaging via a website portal in addition to any meetings we may have with you. Please let us know if you would prefer not to receive communications by any particular medium.

Where we have provided services online on a non-advised basis, any communication between us after inception of a policy purchased online will primarily be by email or telephone and will then be considered as advised.

Please note we record all telephone calls to and from our office landlines to help with training, monitoring and compliance purposes. For further information, please do not hesitate to contact us.

### Conflicts of Interest

Subject to regulatory and legal requirements, BHIB will endeavour to find a suitable insurance solution to meet your requirements and will act in the best interests of its clients, and treat all customers fairly, as required by the FCA. As independent insurance brokers, we generally act as the agent of our client, we will advise you where this may not be the case.

BHIB is not tied to any particular insurer or group of insurers, and dependant on the insurance cover required and indemnity limits sought by a client, BHIB may consider a specific product from a single insurer and/or place business through an insurance scheme with a particular insurer, or purchase products from a selection of relevant insurers.

An insurance scheme for a particular product, or a range of products, may be made available to BHIB through chosen markets with particular insurers. Alternatively this may be through BIG (Brokerbilty Insurance Gateway Limited), which is an Appointed Representative of Brokerbilty Limited, and which is also part of the same group of companies as BHIB, namely part of Brokerbilty Holdings Limited. BHIB is also a member of the Brokerbilty group of companies.

Occasions can arise where we or one of our associated group companies, clients or product providers will have a potential conflict of interest with business being transacted for you. If this happens and we become aware of the existence of a potential conflict of interest, we will write to you and obtain your consent before we carry out your instructions.

### Treating Customers Fairly

BHIB Insurance Brokers is committed to a policy of Treating Customers Fairly and places the interests of the customer at the heart of the firm's business strategy. Our commitments to you are:

- To treat you as an individual and listen to you;
- To act at all times with integrity;
- To have competent staff to provide guidance and assistance in helping you select the appropriate insurance product;
- To give you correct and clear information to enable you to make informed choices;

- To address your concerns in a sympathetic and understanding manner.

If you have any feedback, whether good or bad, let us know as we value your views to help us shape the future of our company.

### Terms Relating to Disclosure (Providing Information to your Insurer)

Your insurance is based upon the information provided to the insurance company.

Such information may be provided directly online or to us as your appointed general insurance broker. For Consumers (individuals buying insurance wholly or mainly for purposes unrelated to their trade, business or profession) this means that you must take reasonable care to answer all questions fully and accurately. Once cover has been arranged, you must immediately notify us of any changes to the information that has been provided to your insurers.

All other clients must present the risk (i.e. the subject matter of the proposed insurance) fairly. This means that you must disclose to insurers, before the setting up or renewal of your insurance policy is concluded, anything that might influence the judgement of an insurer in fixing the premium, setting the terms or determining whether they would take the risk. If you are uncertain whether anything is material, you should disclose it. Failure to provide accurate and up to date information may invalidate your insurance cover and mean that a claim may not be paid.

In order to identify what must be disclosed, you are obliged to carry out a reasonable search before presenting the risk to insurers. This includes (but is not limited to) consulting with all senior managers. A senior manager is anyone who plays a significant role in the making of decisions about how your activities are to be managed or organised, regardless of whether or not that individual is a member of your board or is formally in a management role. You must also consult with anyone who has particular knowledge about the risk to be

insured.

If you deliberately or recklessly (i.e. without care) fail to comply with your obligations to present the risk fairly, insurers may avoid the policy. This means they can retain all premiums and treat the policy as if it never existed and refuse to make any claims payments. You could also be obliged to repay any claims payments that had already been made. If you fail to present the risk fairly, but your failure was neither deliberate nor reckless, the insurers response will depend upon what would have happened if you had complied with your obligations:

- a) if insurers would not have provided the policy, they may treat the policy as if it never existed, refuse to make any claims payments and demand the return of any claims payments already made. However, insurers would have to return any premium payments already made;
- b) if insurers would have provided the policy but on different terms, the policy will remain in force but will be treated as if those different terms applied from the start of the policy. This could result in a claim not being met in part or in full;
- c) if insurers would have provided the policy but charged a higher premium, insurers may reduce any payment in proportion to the difference between the premium charged and the premium that would have been charged if you had fairly presented the risk. This could result in a significant reduction to the amount of any payment under the policy.

All statements and facts disclosed on proposal forms, statement of facts, claim forms and other documents should be full, true and accurate and must be given after undertaking a reasonable search, including consulting with your senior management. Where forms are completed on your behalf you must check them for accuracy and completeness before signing them. You must always read the

declaration and make sure you understand it before you sign.

### Quotations

Unless stated otherwise in our documentation all quotations provided for new insurances are valid only for a period of 30 days from the date of issue. You should be aware that quotations may change or be withdrawn if the information given to us or your insurers in proposal forms or declarations differs from that provided at the time the quotation was issued.

### Changes to Your Cover

We will normally deal with any requests to increase or amend cover on the day your instructions are received, or the next working day if a weekend or public holiday. Sometimes changes cannot be processed without obtaining additional information. If additional information is required we will contact you as quickly as possible. We will confirm any requested changes to your policy, once agreed by insurers, in writing. Any acceptance of your instructions to us to increase or amend cover will not be deemed confirmation that any increase or amendment to cover has been effected until confirmed by Insurers. We will also advise you of any extra premiums you must pay or premiums we must return to you.

### Receipt of Instruction

We do not consider instructions to arrange cover or change cover which are sent to us by post, electronic mail, or facsimile, or left on voicemail. Any insurance cover requested to be put in place upon your instructions shall not be valid or effective until such cover is confirmed by us to you either verbally or in writing.

We do not accept responsibility for instructions which do not reach us at all due to failures in the postal, electronic or telecommunications systems. Where a facility is provided by BHIB for clients to renew a

policy online via an internet based portal then upon satisfactory renewal of such policy online, relevant insurance documents will be issued by way of confirmation of insurance cover.

### Transferred Business

If we take over the servicing of insurance policies which were originally arranged through another insurance broker or intermediary or directly with an insurer, we do not accept liability for any claim arising out of the advice given by that broker, intermediary or insurer, nor for any errors, omissions or gaps in your current insurance protection.

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.

### Data Protection and Confidentiality

We are the Data Controller for the data you provide to us. We need to use your data in order to arrange your insurance and associated products when you are obliged to provide information without which we will be unable to provide a service to you. We may also use data for marketing purposes (please let us know if you would prefer not to receive marketing information from us).

You have a right to request access to any personal data held by us by writing to our Compliance Officer. You can request copies of the data we hold, have it corrected, sent to a third party or deleted (subject to our need to hold data for legal reasons).

We process all data in the UK but where we need to disclose data to parties outside the European Economic Area (EEA) we will take reasonable steps to ensure the privacy of your data. In order to protect our legal position, we will retain your data for a minimum of 7 years. We have a Data Protection regime in place to oversee the effective and secure processing of

your data.

We agree to keep all information provided by you to us confidential, save that you authorise us to:

- a) pass your data to other organisations, such as insurers, auditors, external consultants, credit providers, banks, financial transaction processors, crime and fraud prevention agencies and databases and regulators.
- b) share such information with our own insurers and professional advisors on terms that preserve confidentiality or where we are required by law or by order of the court to disclose such confidential information.

However, we will not be bound to keep any information confidential where it is or becomes in the public domain, it was already known to us or becomes known to us independently of you, or if you authorise us to disclose such information.

If you wish to complain about how we have handled your data, you can contact us and we will investigate the matter. If you are not satisfied with our response or believe we are processing your data incorrectly you can complain to the Information Commissioner's Office Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF Tel: 0303 123 1113

### Access to Premises

By prior arrangement, access to your premises must be allowed, when required for underwriting or claims purposes.

### Credit Referencing and Personal Credit Checks

In order to be able to offer premium finance and more favourable terms, certain insurers may, from time to time, carry out credit checks using external credit agencies. Such checks will appear on your credit file regardless of whether or not your application for cover proceeds. If you require clarification on this matter or would prefer such checks to

not be carried out, please contact us immediately.

When you ask us to obtain quotations for personal insurance products, you should be aware that some of the insurers we approach will carry out personal credit checks as part of the underwriting process. This means they will review information held by a credit agency. Whilst a record of the search will be added to your credit history, we are advised that this will not have any detrimental effect on your credit rating or history.

To comply with Consumer Credit legislation, providers of personal credit are required to carry out affordability assessments before making advances of credit. This means that whenever we are asked to arrange personal premium finance, we will pass your name, address and date of birth to the finance provider, to enable it to carry out an assessment. In assessing your application, the provider may search information held by a credit reference agency. Please note the credit reference agency will add details of the search and your application to their records.

### Documentation

We will issue documentation in a timely manner confirming the basis of the cover including commencement date, period of cover, certificates, policy documents, a statement of demands and needs and payment details. You should ensure that the cover meets your requirements and that documentation is kept safe and secure. Any changes will be explained and if you are a Consumer, you have the right to request a new policy document at renewal.

We recommend that you keep policy documents for as long as a claim is possible under the policy. If your policy included Employers' Liability insurance it is prudent to keep a copy of all Employers' Liability Certificates issued indefinitely.

### Awareness of Policy Terms

It is your responsibility to read all of your

policy documents to satisfy yourself that the cover meets your requirements. Specific attention is brought to relevant conditions, exclusions and limitations that may be included in your policy documents. Should you have any queries, or concerns, please contact us immediately.

### Settlement Terms and Methods of Payment

We will be responsible for issuing invoices and/or arranging finance for all new, renewal or mid-term alterations within appropriate timescales and will make it clear when payment is due. You will be responsible for prompt payment of premiums due to enable us to make payments to insurers in accordance with the agreed terms of business. We normally accept payment by cheque, debit or credit card, or by BACS transfer. We reserve the right to apply a charge of £10 should your bank refuse to honour a cheque provided by you. Where any part of a Premium or Insurance Premium Tax is outstanding, we may withhold any Policy documents, Certificates, No Claims Discounts proof or other documentation pending full payment of such outstanding Premium and Insurance Premium Tax. We will ensure that you have full details of your insurance cover and any documents you are required to have by law. Please note that, should you choose to pay using a third party premium finance provider, any default on your part may incur additional charges. Should the finance provider cancel the arrangement, following default, they may then invoice us for the outstanding premium. In these circumstances, we may cancel your policy, retain the return premium from the insurer and pursue you directly for any outstanding balance.

We have no obligation to fund any premiums on your behalf and cannot be held responsible for any loss which you may suffer as a result of a policy being cancelled or otherwise prejudiced due to late payment of a premium where the delay is attributable to you.

## Handling Client Money and/or Insurer Money

Client money is money of any currency that we receive and hold in the course of carrying on insurance distribution activities on your behalf (e.g. premiums, claim settlements and refunds). We hold client money in a Client Bank Account under a Statutory Trust. For the purpose of some transactions, client money may pass through other authorised intermediaries before the insurer receives it. In order to complete an insurance transaction for you, your money may be passed to a third party outside the UK. Differences in the legal and regulatory regime outside the UK mean that your money may not be treated in the same way as it is in the UK in the event of a third party failing. You may ask us not to transfer your money outside the UK. Any interest earned on client money will be retained by BHIB Insurance Brokers and will not be paid to customers. Where we collect and hold money as an agent of the insurer we may also hold that money in the same Client Bank Account.

## Our Remuneration

Our remuneration for the services we provide to you will either be in the form of commission from the insurers and premium finance providers with whom we place business (being a percentage of your payment), specific fees, payable by you, or a combination of the two. Any fees, and the reason for them, will be notified to you in advance and are non-refundable in the event of cancellation. We reserve the right to retain commission if you cancel or adjust a policy. We may also earn income from insurers based on the overall performance of our account with them and not directly related to your insurances and may additionally receive payment in return for the transfer of work involved in the administration of certain policies on behalf of insurers. If you would like details of any commission, remuneration or payment that we receive for arranging the insurance, finance and any additional general

insurance related activities, please contact us.

## Cancellation Rights

Your insurance contract may include a cancellation clause and you may have the right to cancel your policy. If you decide to cancel your insurance contract within any stipulated timeframe and you have not made a claim on the policy, you may be entitled to receive a refund of any premium paid, less any reasonable costs incurred by the insurer in providing the cover and/or by BHIB in arranging the cover. 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 before the policy expires. Please check your policy documentation for further information or ask for clarification. Please note our commission and, where appropriate, fees are earned in full from the date insurance cover commences and will not be refundable in the event of cancellation, avoidance or early termination of a policy.

Please contact us if you wish to cancel any policy that we have arranged for you. Customers acting personally and outside their trade or profession (Consumers) will usually have a legal right to cancel policies for any reason, subject to no claims having occurred, and within 14 days of receiving the full terms & conditions. You will always be advised where this right applies. A charge may apply for the period of cover provided. Cancellation under this right must be in writing, prior to expiry of the cancellation period.

## Claims

If you need to make a claim, please contact us immediately. If you are unsure whether or not to make a claim, please contact us for advice. Failure to adhere to the notification requirements of insurers, as set out in their policy document, may entitle insurers to refuse settlement of the claim, in whole or in part. Except where otherwise agreed, we will provide claims handling services during the policy period. These services can be continued

beyond our appointment as your broker, subject to a separate fee to be agreed at the time. Our service can include notification of the claim direct to insurers in accordance with the relevant policy claims procedure.

In certain circumstances late notification may result in a claim being rejected.

If the claim involves damage to your property, please do not:

- Dispose of damaged items
- Authorise repair work (except in an emergency or to prevent further damage)

until your insurers or we advise that you can.

If your claim involves damage to third party property or injury to persons please pass copies of all correspondence, including solicitors letters, to us immediately and unanswered. Any attempts to negotiate or respond to the incident, without prior reference to your insurers or us, may prejudice your cover.

## Complaints

We intend to provide you with excellent customer service and are committed to ensuring that all our customers receive fair treatment. If we fall short of your expectations please contact our Compliance Officer, either in writing to our office address or by telephone to 0116 281 9100, who will take details of your complaint. If we cannot resolve your complaint by close of business on the third working day after receipt, we will acknowledge your complaint, in writing, within 5 business days, and will advise you of when you may expect to receive a response. Your complaint will be dealt with by a senior and independent member of our senior management team who will ensure that the investigation will be fair and unbiased. If your complaint does not relate to a product or service that we have provided, or which should more appropriately be referred to another organisation, we will advise you of this fact, in writing, within 5 business days of

receipt of your complaint and, where possible, provide details of to whom your complaint should be redirected. We will provide you with a full written response to your complaint within 4 weeks of receiving it, unless your complaint is sufficiently complicated to warrant longer investigation. If the written response cannot be given to you within 4 weeks, we will inform you, in writing of the reasons why and when you can expect to receive our final response. If you are a Consumer or a Commercial Client with a turnover of less than £6.5 million and fewer than 50 staff and are dissatisfied with our final response to your complaint, or if the investigation is not concluded within eight weeks, you have the right to refer the matter to the Financial Ombudsman Service (FOS) whose jurisdiction extends to cover general insurance distribution and consumer credit activities. They may be contacted at The Financial Ombudsman Service, Exchange Tower, Harbour Exchange Square London E14 9SR, telephone number 0800 023 4567, e-mail: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk).

If you are a consumer and your complaint relates to insurance purchased from us via electronic means (e.g. on-line or via email or mobile 'phone) then you are also able to use the EC On-line Dispute Resolution (ODR) platform at <http://ec.europa.eu/consumers/odr/> who will notify FOS on your behalf.

## Termination of Authority

You may terminate our authority to act on your behalf with 14 days written notice or as otherwise agreed. Notice of this termination must be given in writing and will take effect from the date of receipt. Termination is without prejudice to any transactions already initiated unless otherwise agreed in writing. You will be liable to pay for any transactions or adjustments effective prior to termination and we will be entitled to retain any and all fees or brokerage payable in relation to policies placed by us prior to the date of

termination.

### Financial Services Compensation Scheme

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the FSCS should you incur a loss and if we cannot meet our obligations. This depends on the type of insurance transacted and the circumstances of the claim. Further details about the compensation scheme arrangements are available from the Financial Services Compensation Scheme (FSCS), 10<sup>th</sup> Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU, Telephone Number: 0800 678 1100 or 020 7741 4100 (Monday to Friday 08.30 to 18.00 excluding public holidays) and website [www.fscs.org.uk](http://www.fscs.org.uk)

### Third Party Rights

Unless otherwise agreed between us in writing, no term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999. All activities undertaken by us as outlined in this Agreement are provided by us for your exclusive use and all data, recommendations, proposals, reports and other services are for your sole use. You agree not to permit access by any third party to this information without our express written permission.

### Limitation of Liability

In the event of any breach of these terms and or in the event of any representation, statement or act or omission including negligence arising under or in connection with all contracts between us then the following provisions set out our entire financial liability (including any liability for the acts or omissions of our employees, agents and sub-contractors) to you. Nothing in these terms excludes or limits our liability for death or personal injury caused by our negligence, or for any fraud, fraudulent misrepresentation or breach of any regulatory obligation on the part

of BHIB Insurance Brokers.

We do not accept any responsibility or liability to you under any circumstances for:

- a) any special, indirect or consequential loss or damage or any loss of profit, income, anticipated savings, production or accruals arising in any circumstances whatsoever, whether in contract, tort, negligence, for breach of statutory duty or otherwise, and howsoever caused, including any loss that is not reasonably foreseeable as a consequence of any act or omission on our part; or
- b) any loss following declinature of a claim, or reduction of any claim indemnity payment or avoidance of your policy by an insurer which results from:
  - (i) your failure to provide complete and/or accurate information which we or your insurer have requested from you in quoting for any risk we place on your behalf; or
  - (ii) your breach of any terms, conditions or warranties within your policy of insurance; and/or
  - (iii) your failure to comply with any of the claims conditions in your policy of insurance.

Our total aggregate liability to you in respect of any one claim, whether in contract or in tort, in negligence, for breach of statutory duty or otherwise in respect of any claim or series of claims for any loss or damage, costs, other charges or any contractual or statutory interest howsoever caused arising out of or in connection with the services we provide shall not exceed £10,000,000 (Ten Million Pounds Sterling).

If a higher limit of indemnity is required by you in the course of your dealings with us then please contact us and provide details of the increase in the limitation of liability that is required and the reasons for us to consider such increase. We will review the information provided and if an increase in our liability to you is agreed we will confirm such agreement

to you in writing. We reserve the right to charge an additional fee or additional quotation for any additional increase in our liability to you.

Our liability to you shall also be limited to such sum as it would be just and equitable to require us to pay having regard to the extent of our responsibility and the responsibilities of any other parties, including but not limited to any sub-broker or placing broker. You agree that our liability shall not be increased by your inability to recover from any other person or party, or your decision not to recover from any other person or party.

### Governing Law

This Agreement, which sets out our terms of business with you, will be governed by English Law.

**YOU ARE DEEMED TO HAVE ACCEPTED THESE TERMS OF BUSINESS AND GIVE YOUR CONSENT FOR US TO OPERATE IN THE WAYS DESCRIBED, UNLESS YOU ADVISE US OTHERWISE WITHIN 7 DAYS OF RECEIPT.**