

ae insurance brokers limited
45 Westwood Road, Southampton, Hampshire SO17 1DH
Tel: 023 8055 8200 Fax: 023 8055 8400

TERMS AND CONDITIONS OF BUSINESS

Authorisation

Ae insurance brokers limited are authorised and regulated by the Financial Services Authority (the FSA) and are bound by their Rules. In arranging insurance for our customers, we act as an Independent Intermediary, providing a fair analysis of the market based on your circumstances and requirements. Our FSA registration Number is 311418.

You can check this information on the Financial Services Authority website www.fsa.gov.uk/register or by contracting the FSA on 0845 606 1234.

This document sets out our commitment to you as our client and sets out the principles we seek to uphold at all times. We are committed to providing a high standard of professional service for private and commercial clients.

Our Services to you

Our services to you include:

- Advice on risk management and insurance needs
- Arranging cover to meet your requirements
- Assistance with claims
- Advice on health and safety matters

Our service includes advising you on your insurance needs, arranging your insurance cover with insurers to meet your requirements and helping you with any ongoing changes you have to make for as long as we act for your as your appointed insurance broker. In addition to this we can also assist you with making a claim.

We will also provide:

1. Adequate information in a timely and comprehensive manner to enable you to make an informed decision about the insurance being proposed at inception or renewal.
2. An explanation to you of the differences in and the relative costs of the types of insurance that we think will suit your needs based on the information supplied.
3. An explanation of the key features including the essential cover and benefits and any significant or unusual restrictions exclusions conditions warranties or other obligations and the period of cover.
4. Details of why we are unable to match your requirements if this occurs and we will explain the differences between those requirements and the insurance we are proposing.
5. Provide renewal terms in good time unless you have advised us that you no longer wish us to act on your behalf or we notify you that the insurer is unwilling to invite renewal, or we are no longer willing to act on your behalf.

Confirmation of Cover

We will provide you with cover notes and/or written confirmation that cover has been effected and the terms thereof as well as the Insurers involved. These will normally be sent to you within fourteen days of cover being incepted.

You agree to review all information upon receipt and advise us immediately if the details of the cover or the participating Insurer do not meet with your approval or do not reflect the instructions previously given to us, particularly if any required cover is excluded.

It is your responsibility to ensure that the insurance has been arranged on the correct terms.

Where a full policy wording is required this will be forwarded to you as soon as practicable.

Transferred Business

If we take over the servicing of policies, which were originally arranged through another intermediary, we do not accept liability for any errors, omissions or gaps in the cover arranged until such time as we have been able to carry out a full review of your requirements, which may not occur until the next renewal date.

Insurer Security

We only seek to place insurance with Insurers that meet our minimum financial guidelines unless we receive instructions from you to the contrary. However, we cannot and do not guarantee the solvency or continuing solvency of any Insurer used and you should note that the financial position of an Insurer can change after cover has been incepted.

Claims

It is essential that claims or circumstances that could give rise to a claim are notified immediately. Some insurers provide claims helplines details of which are included within your policy. Such notifications should include all material facts concerning the claim. Failure to do so may entitle Insurers to repudiate payment.

Where agreed we will provide a claims handling service for as long as you remain a client of ae insurance brokers ltd and we will:

- 1) Give you guidance in pursuing a claim under policies arranged.
- 2) Act with due care, skill and diligence when handling claims on your behalf and act fairly and promptly at all times
- 3) Keep you informed of the progress of your claim.
- 4) Inform you in writing if we are unable to deal with any part of a claim.
- 5) Account to you without delay once a claim has been agreed and settled.
- 6) Ensure that no conflict of interest arises in relation to our handling of your claim and if we face a potential conflict of interest we will advise you immediately and request your permission to proceed. Where it is not possible to manage the conflict of interest successfully we will withdraw our claims handling service from one or both parties involved.

We reserve the right to charge a reasonable fee for our services if for any reason you cease to be a client but wish us to continue to handle claims on your behalf and if we agree to handle such claims.

Retention of Documents

We will maintain records of the Insurance Contracts arranged on your behalf in accordance with best practice within the insurance industry, which is usually six years. Records may be destroyed after this period unless you advise otherwise. We provide this service free of charge as long as we remain your Broker. We recommend that you retain all confirmations of cover and policy documents for as long as a claim is possible under the relevant insurance policies and in accordance with statutory requirements.

Data Protection and Confidentiality

We will treat any personal or other information received by us from you or about you with the utmost respect and where appropriate in accordance with data protection legislation including the Data Protection Act 1998 and such other legislation as may become applicable.

Information provided by you or which is obtained from other sources in the course of our dealings with you may be used by us to facilitate the provision of our services.

From time to time we may disclose this information to other companies within the AE Group and to other companies we may introduce to you.

We or they may use this information to advise you of services which may be of interest to you. You may exercise your right to give notice to stop data being processed for marketing purposes by contacting us at any time by writing to the Managing Director at 45 Westwood Road Southampton SO17 1DH.

Under the Data Protection Act 1998 you are entitled to a copy of your PERSONAL data held by us upon request and payment of a small fee.

Complaints

It is our intention to provide you with a high level of customer service at all times. If there are occasions when we do not meet these standards and you wish to make a complaint about the services we provide then you may do so in writing or by fax, email, telephone or in person. We may ask you to put your objections in writing to ensure that they are clearly understood. Please address your complaint to the Managing Director at our registered address.

If we are unable to resolve a complaint to your satisfaction you may have the right to take your complaint to the Financial Ombudsman Service, details of which will be provided upon request or when answering your complaint.

Consumer Protection – Are we covered by the Financial Services Compensation Scheme

We maintain professional indemnity insurance to enable us to meet any liabilities that may arise on us in respect of our obligations to you for services performed on your behalf. We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if for any reason we cannot meet our obligations. This will however depend on the type of business and the circumstances of the claim.

Insurance advising and arranging is covered for 100% of the first £2,000 and 90% of the remainder of the claim, without any upper limit. For compulsory classes of insurance, insurance advising and arranging is covered for 100% of the claim, without any upper limit.

Further information about compensation scheme arrangements is available from the FSCS.

Termination

Our services may be terminated for any reason either by you or us giving one months notice in writing to each other. In the event that our services are terminated by you, other than at the expiry of the relevant policy period or at renewal we will be entitled to retain all fees or brokerage payable whether or not the same has been received by us.

All outstanding premiums whether invoiced or not are due for payment within seven days of termination or within seven days of invoice presentation.

Premiums and Financial Aspects

You may be able to spread your payments through insurers instalment schemes or a credit scheme with a third party finance provider. We will give you full information about your payment options when we discuss your insurance in detail. Our Consumer Credit Licence number is 139394.

We may keep certain documents such as your insurance policy document or certificates, while we are awaiting full payment of premiums. In these circumstances, we will ensure that you receive full details of your insurance cover and will provide you with any documents that you are required to have by law.

Risk Transfer

Premiums we collect from you are held in an insurance broking bank account specifically used for the purpose of holding client premiums. By virtue of agreements we hold with some insurers we collect premiums as their agent. Therefore once we have collected premiums from you, under the terms of our agreements with insurers,

those premiums are treated as having been paid to them. We will remit the premiums to insurers, after deduction of our commission, in accordance with the terms of our agreements.

Segregation of Client Money

Where “risk transfer” is not in place premiums that we collect from you will also be held in a Client Money Bank account. We will hold the client money as trustee on your behalf. The Client Money Bank Account is set up as a statutory trust governed by FSA rules. This means that once the client money is segregated into the Client Money Bank Account, it falls into our legal ownership but remains in the beneficial ownership of customers whose premiums are deposited in the Account. If we become insolvent, the terms of the trust dictate that customers will have a prior claim on the client money in the Account according to their respective interest in the client money. The costs relating to the distribution of client money may have to be borne by the trust.

Cost and Remuneration

We will:

- 1) Provide details of the premium cost of each of the insurances offered.
- 2) Not impose any fees or charges in addition to the required premium without first disclosing the amount and purpose of the charge and the basis of calculation. We do reserve the right to charge for policy amendments, claims handling or cancellations.
- 3) Charge £20 per policy to cover the cost of Compliance.
- 4) Be remunerated for arranging the insurance in the form of commission paid to us by insurers unless we have agreed with you that our services will be provided in return for a fee.
- 5) Advise you of any commission that we have received in respect of your insurance contract, if requested.
- 6) In addition to the agreed remuneration we will be entitled to benefit from earnings which we are able to generate due to the volume of account placed with certain insurers and its underwriting performance which are not identifiable to any specific client and earnings we are able to generate through management of cash balances held on behalf of insurers which are not identifiable to any specific client.
- 7) In the normal course of operation we sometimes ask other brokers to assist us in responding to your instructions when we believe this is to your benefit. Unless a fee arrangement has been agreed these brokers will usually be remunerated by way of commission which will be included in the premiums charged
- 8) Retain all premiums paid in a separate client account.
- 9) Where we receive commission from the premiums you pay us, we shall only withdraw commission after we have received the premium from you, and in accordance with FSA regulations and agreements that we hold with insurers.

Third Party Rights

These terms of business exclude any rights, which may be conferred upon third parties by the Contracts (Third Party Rights) Act 1999.

Legal Governance

These Terms and Conditions of Business are governed by and shall be construed in accordance with the laws of England and Wales and in the event of any dispute the parties shall submit to the exclusive jurisdiction of the English Courts.

Other taxes or costs

Other taxes or costs, or both, may exist in relation to the products and services offered by us, which are not paid through, nor imposed, by this firm.

Your Obligations

To enable us to meet our commitment to you we ask you to note the following

Instructions

We prefer that your instructions be given to us in writing by letter facsimile or e-mail in order to avoid any misunderstandings about the cover you have requested. In urgent cases we will of course accept verbal instructions but we request that they be confirmed in writing.

Proposal Forms

With certain classes of insurance we will have to ask you to complete a proposal form. We will provide any advice or assistance although we cannot complete the form for you.

Duty of Disclosure

We remind you of your obligations to disclose all material information whether or not proposal forms are applicable or completed.

Information is material if it would have an effect on the mind of a prudent Insurer in fixing the premium or determining whether they will take the Risk. There is no duty on the insurer or us to make enquiries and the burden of disclosure falls upon you as the proposer. This duty arises when the insurance is first taken out and on each subsequent renewal or amendment of it.

If any material information is omitted or misrepresented Insurers have the right to void the policy or return the premium. The effect of this is that there is no longer an insurance policy and no claims will be paid.

Policy terms, conditions and warranties

You should read through all policy terms, conditions and warranties shown on your policy documentation. Please ensure that you understand them and are able to follow their requirements exactly. If not, please advise us immediately, as a breach of any terms, conditions or warranties may enable your insurer to terminate your policy from the date of that breach, and / or repudiate a claim under your policy.

Settlement Terms

We will issue invoices for all new and renewal premiums and mid-term adjustments as soon as practicable after inception or renewal or on receipt of documentation from insurers. We will remit premiums to insurers in accordance with our agreed terms of trade.

You will be responsible for paying promptly, normally within thirty days, all of our invoices for premiums duties fees and tax to enable us to make the necessary payment to insurers, or completion of premium instalment documentation if you prefer to finance payments due.

For the avoidance of doubt we have no obligation to fund any premiums duties fees or taxes on your behalf and have no responsibility for any loss you may suffer as a result of late payment.

Yours faithfully



Michael Wright
Managing Director

I/We acknowledge receipt of a Terms of Business Letter of which the above is a copy and by my/our signature(s) confirm that I/we have read and understood the same and agree to be bound by them.

I/We acknowledge that the Terms of Business will come into force when I/We have signed a Terms of Business letter.

Name: Signature.....

Name: Signature.....

For and on behalf of.....

Date:.....