

Our Terms of Business with you

Please read this document carefully. It sets out the terms and conditions on which we agree to act for you, contains details of our responsibilities together with your responsibilities both to us, to insurers and to other third party providers. The terms set out in this document come into operation on the day they are issued to you and remain valid until they are replaced by us with a later version. By asking us to quote for, arrange or handle your insurances you are proving an express agreement to these terms. Please contact us immediately if there is anything in this document that you do not understand or with which you disagree.

Definitions: "We" or "us" or "our" means Peter Hattersley & Partners Ltd

"You" or "your" means you {and or you're appointed agent(s)}

"Consumer" means an individual who enters into the contract wholly or mainly for purposes unrelated to any business, trade or profession.

Your particular attention is drawn to sections 7,10,16,17 & 19.

1. Explaining Our Status and Service

Peter Hattersley & Partners Limited are an Independent Insurance Intermediary authorised and regulated by the Financial Conduct Authority (FCA) for insurance mediation and consumer credit activities. Our firm reference number is 307512. These details can be checked on the Financial Services Register by visiting the following website www.fca.org.uk or by contacting the FCA on 0800 1116768. As an independent intermediary we generally act as agent of the client unless we advise to the contrary. We are however subject to the law of agency, which imposes various duties on us. Our service includes: advising on your insurance needs; arranging insurance cover with insurers to meet your requirements; and helping you with any ongoing changes you have to make. We will advise and make a recommendation for you after we have assessed your needs. Our assessment of those needs will involve information gathering for which your assistance is essential. We offer products from a range of insurers for all classes of insurance product, other than for Loss Recovery, Excess Protection, Uninsured Loss Recovery/Guaranteed Hire vehicle, Home, Private Motor and Travel Insurance where we deal with a limited number of insurers, a list of those limited insurers is available upon request. As part of our service we will also provide reasonable assistance with any claim you need to make.

2. Remuneration and Charges

For bringing into operation a contract of insurance we usually receive a commission and/or a fee. This element of remuneration is fully earned when the insurance incepts and is charged in relation to services executed over the life time of the policy period, usually annually. We may charge additional fees in relation to the following.

Policy Arrangement – up to £ 250	Mid-term alterations – up to £ 75.00	Cancellations – up to £ 150.00	Duplicate documents - £ 20.00
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We may make additional charges for the handling of your business or the performance of services. The specific purpose of any additional charges will always be advised to you in advance. This may happen for project specific work, one off tasks or other such work whereby we are required to fulfil certain duties that arise. Fees will usually be based on time spent and evaluated at a rate per hour. You may ask us for an estimate of how much in total we might charge. You may also ask us not to exceed a given amount without checking with you first. Whether we take our remuneration by way of commission, fees or a combination will be a matter of discussion and agreement, and no charges for additional fee, other than those set out above will be made without prior notification in writing.

Hourly Rates are as follows:

Chartered Insurance Broker and/or Director	£180	Account Executive	£125	Senior Account Handler	£115
Account Handler	£100	Junior Handler	£75	Administrator	£50

Your attention is drawn to our charges in relation to claims services mentioned overleaf. Should we utilise the services of agents, intermediaries or other specialists in the advising, arranging and the maintenance of your insurances, we will advise you of any additional costs this will involve. In addition to the above, we may receive income from interest on our various bank accounts and volume and profit agreements with suppliers which you consent to us retaining. You are entitled to request information regarding any commission which we have received as a result of placing your insurance business.

3. Quotations

The validity period of quotations is usually 30 days unless otherwise stated. We reserve the right to withdraw a quotation in certain circumstances, for example, where an insurer has altered their premium and/or terms.

4. Cooling off period

Depending upon the type of contract and if you are deemed to be a 'Consumer' under the FCA rules, you may have a 14-day cooling off period from either conclusion of the contract or receiving your policy documents whichever occurs the later.

5. Credit Checks

To ensure you get the best offer from insurers, now or at any renewal or at any time, and in order to protect their customers from fraud and verify your identity, we, insurers and premium finance providers may use publicly available data, credit reference agencies and other external organisations. Their searches will appear on your credit file regardless of the application proceeding into an order.

6. Payment including Consumer Credit services

Payment of all premiums, fee's, levies, taxes and charges connected with the arrangement, placement or administration of policy cover are to be fully received as cleared funds before the effective date of your cover. In certain circumstances at our absolute discretion we may agree to provide credit terms. We will give you full information about your payment options when we negotiate your insurance in detail. You may be able to spread the payment of premiums through insurer's instalment facilities or via certain external premium finance providers. When applying or taking out credit we will share your data with lenders who will carry out anti-money laundering checks and credit underwriting to assess creditworthiness and affordability to meet their regulatory or business obligations. Credit checks may include a search of your records (for limited companies this may include directors and the organisation itself) at a credit reference agency. In the event that you wish to utilise the funding facilities of either an insurer or a premium finance provider, there are strict procedures and timescales in operation for the acceptance of such credit facilities. Any and all documentation required by providers of credit facilities must be received by us, your insurer or the finance provider before the effective date of cover. Should an insurer or premium finance provider not wish to provide their facilities to you, payment is due immediately in full. Where we arrange credit we act as a credit broker and arrange credit with either your insurer or Premium Credit Limited or Close Brothers Limited we will receive commission from the lender for arranging your credit agreement, details of which will be disclosed on request. You will have 14 days to cancel your credit agreement.

We do not advance premiums on behalf of clients and we therefore require receipt of cleared funds before paying insurers. We normally accept payment via Debit or Credit Card (MasterCard/Visa) and any handling fee levied will be passed onto you on a net basis. We do not retain payment card information once the transaction has been completed.

7. Handling Client Money

We keep client money in a separate account from our own money and under FCA rules we have elected to operate a Statutory Trust. In operating the trust, we are unable to make advances of credit to enable premium obligations to be met before we are in receipt of the funds. In the majority of instances, we act as agent for the insurers in handling payment of premiums and will advise where this is not the case. This is referred to as Risk Transfer under the FCA rules and under this arrangement, insurers assume the credit risk so that payment by you to us will be deemed as payment to insurers and return premiums paid by insurers to us will not be deemed as paid until received by you. We may transfer client money to another party, such as a broker or underwriting agent for the purposes of effecting a transaction. You must notify us if you do not wish your money to be handled in this way. Credit notes are issued for any net amount due to the client and settlement will be made by cheque/BACS. Where a credit of below £20 remains on your account, unless you specifically request its return, we reserve the right to retain this, to your credit, on your account for economic reasons for it to be set off against any future debits.

8. Security of Insurer

Whilst we make every endeavor to place your insurances with insurers that are financially sound we do not guarantee or otherwise warrant the solvency of any insurer we place your insurances with. If you have any concerns regarding any insurer chosen to meet your insurance requirements you should inform us as soon as possible and we will discuss them with you.

9. Cancellation

Your insurance contract may include a cancellation clause. In the event that your policy is cancelled, for example because you fail to pay your premium by the due date, the insurers may return a premium to us. However, no part of any commission or fees earned by us will normally be refundable. Where insurers have specified that the premium must be received by a certain date, failure to comply can result in the automatic termination of your insurance contract. Where you pay your premium by instalments or use a premium finance provider, if any direct debit or other payment due in respect of the credit agreement you enter into to pay insurance premiums is not met when presented for payment or if you end the credit agreement we will be informed of such events by the funder. If you do not make other arrangements with us to pay the insurance premiums you acknowledge and agree that we may, at any time after being so informed, instruct on your behalf the relevant insurer to cancel the insurance. You will be responsible for paying any time on risk charge and putting in place any alternative insurance and / or payment arrangements you need. Consumers are entitled to cancel an insurance policy within 14 days of purchasing cover or receipt of the policy documentation whichever is the later. The insurer however is entitled to charge a reasonable time-on-risk charge. We will refund any fees charged or commission earned over and above what we would consider to be reasonable to cover the costs involved in originally placing the insurance.

10. Materials Facts and Your duty to give information and set appropriate levels of cover

It is your responsibility to provide complete and accurate information at all times, both prior to quotation, during the policy period and at subsequent renewals. It is important to ensure that all statements you make either orally or otherwise are accurate and not misleading. We have included a guidance document headed "Your Obligations when arranging insurance cover" which set out important information which you should take time to understand. If you are unsure of your obligations, you must contact us for assistance.

The setting of adequate levels of cover i.e. sums insured, values at risk, limits of liability and other estimates used within the insurance contracts arrangement and operation remains solely your responsibility as do the implications of Value Added Tax. We accept no responsibility or liability whatsoever for under insurance or other omissions. We recommend that you seek professional guidance from competent parties in the setting of such figures.

You must advise us immediately of any changes in circumstances which may affect the services provided by us or the cover provided by your policy.

11. Intellectual Property

All broking reports and marketing presentations remain the intellectual property of Peter Hattersley & Partners Ltd and must not be disclosed to any other insurance intermediary without our prior permission.

12. Prior Insurance Contracts

In circumstances where you appoint us to act as your insurance intermediary and administer policies arranged by another intermediary or intermediaries we will not be liable for any loss resulting from the advice or possible negligence of your previous intermediary or intermediaries howsoever caused. Unless instructed otherwise we will not undertake to review any of your previous insurance contracts other than contracts currently in force at the time of appointment. We will discuss with you how current and future claims arising from policies not arranged by us will be administered.

13. Policy Wordings

It is important that you read all insurance and any associated documents issued to you and ensure that you are fully aware of the cover, limits and other terms that apply. If you require additional copies of policy documentation please contact us. Particular attention must be paid to any conditions, clauses and warranties (whether express or implied) contained within the insurance we have arranged. Failure to comply can result in the insurer automatically terminating your policy. Further, where the insurance has been placed with conditions, it may be invalidated or coverage prejudiced whilst the condition is outstanding.

14. Communication

The use of email as a means of communication is acceptable to us. There are however certain concerns we have with this medium including confidentiality and integrity of information; delay of receipt and the transmission of harmful viruses, worms and trojans. Given the contractual nature of insurance it may be appropriate to use an alternative method of communicating with us. We are unable to communicate or accept instruction from you by means of telephone text or web based media or social media messages. Unless you specifically request otherwise, we may email policy and other documentation electronically in the 'pdf' (portable document format) or 'Word'. Any requests to incept insurance cover or to effect amendments to existing cover will NOT take effect until we have confirmed in writing.

15. Documentation

We may keep certain documents while we are waiting for full payment of premiums or if you wish for us to retain them for you. In these circumstances we will ensure that you receive full details of your insurance cover and will provide you with any documents you are required to have by law. You are strongly advised to read all documentation carefully ensuring that the protection given is in accordance with your requirements. If you are in doubt over any of the policy terms or conditions, you must contact us as soon as is practicable during business hours which are normally Monday to Friday 09.00 – 17.00 excluding Public/Bank Holidays.

16. Customer Protection Information

We are covered by the Financial Services Compensation Scheme (FSCS), which deals with claims against FCA regulated firms that are insolvent or are no longer trading. You may be entitled to compensation from the FSCS if we or the insurers cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Full details and further information on the scheme are available from the FSCS. (website: www.fscs.org.uk). You should be aware that in certain circumstances we may place your cover with an intermediary or insurer outside the UK. If you object to this you should notify us immediately otherwise your agreement to place business in this manner and acceptance of these Terms of Business will constitute your informed consent. Please note that in these circumstances the legal and regulatory regime applying to the insurance intermediary or insurer may differ from that in the UK and consequently if the insurance intermediary or insurer fails the premium or claim may be treated in a different manner from that which would apply if the placement of cover was held with an intermediary or insurer subject to the UK regulatory framework.

17. Limitation of Liability

We will exercise reasonable skill and care in the performance of all our services for clients, but we cannot be held responsible for advice, recommendations or actions that are based upon incorrect or inadequate disclosure of

material information by our clients or their agents. The liability of Peter Hattersley & Partners Limited under this Agreement, howsoever arising, shall not exceed in the aggregate the sum of £5,000,000. These limitations of liability shall not apply to liability for personal injury or death arising from our negligence.

18. Financial Crime Prevention

We are obliged to take reasonable steps to safeguard our company, its clients and the industry against the risk of financial crime. To help us achieve this we may need to ask you to provide us with additional information relating to any transactions you ask us to undertake on your behalf.

19. Complaints Procedure

It is our intention to provide you with a high level of customer service at all times. If you should wish to make a complaint please contact a Director by telephone on 0161 777 9160 or by writing to Peter Hattersley & Partners Ltd, Carrington Business Park, Carrington, Manchester M31 4DD or info@phpl.co.uk. Unless your complaint can be resolved within three working days we will provide you with a written acknowledgement promptly and with that acknowledgement we will send you a copy of our complaints handling procedures. A copy of these procedures can also be obtained on request from the above-mentioned address. If, after we have had a reasonable opportunity to deal with the matter, you remain dissatisfied with our handling of your complaint, or its outcome, you may be eligible to take your complaint direct to the Financial Ombudsman Service who can be contacted on 0800 0234567 (website: www.financial-ombudsman.org.uk)

20. Claims

If you have occasion to claim on your policy you must notify us immediately and we will promptly advise you of the appropriate course of action, which will also be set out to you in the insurance summary/register or if supplied verbatim, the policy document. Your policy document is likely to demand that claims or circumstances that could, may or are likely to give rise to a claim be reported within strict timescales. It is your responsibility to present your claim promptly, clearly and supported with evidence. Failure to do so may result in delayed processing of your claim. Insurers will not be responsible for any such delay caused by any failure on your part to present the claim in this manner. Your failure to report such matters to your insurers either directly or via ourselves cannot be understated and could have the effect of the claim not being met by the policy. Notification to us does not mean that you have fulfilled your obligation to report the claim to insurers in itself. You should not admit liability nor agree to any course of action, other than emergency measures carried out to minimise the loss until you have agreement from your insurers. Unless otherwise agreed, we will provide you with reasonable guidance in pursuing your claim for as long as you remain a customer. Should you cease to have a current policy with us, we reserve the right to charge for providing continuing claims services. The scale which will apply to such future claims services performed by us will be in accordance with those Hourly Rates set out in section 2 above.

21. Confidentiality

All information about you will be treated as private and confidential. We will only release information about you in the normal course of arranging and administering your insurance and when; you ask us to or give us permission to or if required to do so by the Financial Ombudsman Service or if the law obliges us to. You should however be aware that insurers, their agents and representatives and finance houses share information in order to eliminate fraud. Under the Data Protection Act 1998 you have the right to see personal information about you that we hold in our records. If you have any queries, please write to us. Some of the details you may be asked to give us, such as information about offences or medical conditions, are defined by the Act as sensitive personal data. By giving us such information you signify your consent to its being processed by us in arranging and administering your insurances.

22. Termination

You or we may terminate authority to act in connection with your insurance arrangements at any time. However, notice of termination must be given in writing and will be without prejudice to the completion of any transactions already commenced. Any business currently in progress will be completed unless we receive instructions to the contrary. Any premiums or fees outstanding will become payable immediately. In circumstances where we feel we cannot continue providing services to you, we will give you a minimum of 7 days' notice. Unless otherwise agreed in

writing, if our relationship ends, any transactions previously initiated will be completed according to these Terms of Business.

23. Conflicts of Interest

There may be occasions when a potential conflict of interest arises. If this happens we will inform you and obtain your consent before we carry out your instructions.

24. Law and Jurisdiction

These terms of business shall be governed by and construed in accordance with English law. In relation to any legal action or proceedings arising out of or in connection with these terms of business we both irrevocably submit to the non-exclusive jurisdiction of the English court.

Version May 2017.

Your obligations when arranging cover

Insurance law has changed and **The Insurance Act 2015** introduces reforms to the way in which insurance policies are written and how claims will be dealt with. The Act received Royal Assent on 12 February 2015 and **will apply to policies incepted, renewed or varied from 12 August 2016**.

We would remind you of **your obligations** under the terms of your insurance policy include but are not limited to the following matters.

1. Duty of Disclosure.

You are responsible for providing complete and accurate information, which insurers require in connection with any proposal for insurance cover. Depending on how you are defined under FCA rules will determine the nature of disclosure demanded.

If you are a **commercial customer** you have a duty to make a *fair presentation* of the risk to insurers at inception, renewal and when making a variation to your policy cover. This means that you must disclose all facts and circumstances which may be material to the risks covered by your policy in a clear and accessible manner or provide sufficient information to alert insurers of the need to make enquiries about such facts or circumstances. Material facts are those which are likely to influence an insurer in the acceptance of or assessment of the terms or pricing of your policy. If you are in any doubt as to whether a fact is material, you should disclose it. Such facts or circumstances could include but are not limited to trade processes, previous claims, CCJ's or defaults, bankruptcies, insolvencies, liquidations, receivership or administration relating to the business, you or any past or current director. Similarly, the duty also applies to the submission and substantiation of all claims.

You must carry out a reasonable search for information, with what is reasonable depending on the size, nature and complexity of your business. You are advised to include in your *reasonable search* anyone who plays a significant role in deciding how the business' activities are to be managed or organised. Furthermore, relevant information held by any other party or person(s) (even those outside the company, such as the company's agents or beneficiaries of cover) should be included in the reasonable search. Examples of parties with whom enquires should be made include but are not limited to the following.

Senior managers and those with accountability for managing functions of the business.	Persons covered by the insurance e.g. joint insured's (policyholders) or sub contractors/consultants.	Employees who may have in-depth or specialist knowledge of processes and procedures.
Outsource contractors and service providers.	Non-Executive Directors, Advisors or Consultants.	Risk Managers.

You are advised to record the enquiries made with such parties during your search as this may be called upon to evidence and substantiate a particular course of action taken.

If you are a **consumer** i.e. an individual who enters into a contract wholly or mainly for purposes unrelated to your trade, business or profession. Your duty to disclose all material information to the insurer is replaced with a duty to answer all questions in relation to any proposal for insurance cover honestly and to the best of your knowledge. Providing complete and accurate information which will require taking reasonable care not to make misrepresentations to the insurer. This also applies to your responses in relation to any assumptions you may agree

to in the process of applying for the insurance cover. This is particularly important before taking out a policy but also at renewal or if you make a midterm amendment to your policy.

Here are some examples of Material Facts, although this list is not exhaustive.

Special or unusual facts relating to the risk.	Any particular concerns which influence you to seek insurance cover.	Matters which should be dealt with in a ' <i>fair presentation</i> ' of the risk of the type in question, in view of those involved in purchasing that insurance.
Changes to your premises use, your activities, products or services.	Alteration to occupancy or tenancy be it temporary or permanent.	Alteration or withdrawal of risk protection devices – locks, alarms etc.
Prosecutions or convictions including those pending.	Carriage of dangerous or hazardous loads or goods.	Health or disability conditions.
Imposition of terms or refusals to offer cover on other insurance policies.	Financial problems of you or those involved in this or other businesses.	Loss incidents which did not result in an actual claim.

If you are in any doubt as to what constitutes material information, you should disclose it.

2. Awareness of and compliance with policy terms.

You have a duty to be aware of the terms and conditions of the policies you purchase or are considering purchasing. The policy will set out information over the level of cover you have chosen, obligations on you and restrictions or limitations in the cover. We would draw your attention in particular to the following types or policy terms and conditions:

- (a) Warranties – A Warranty is a policy term that must be complied with literally. Insurance warranties may consist of undertakings that certain things shall be done (e.g. waste removed from premises daily) or things shall not be done (e.g. certain changes in risk factors) or a declaration whereby the policyholder affirms or negatives a certain state of affairs, e.g. the construction of a roof or wall.
- (b) Conditions - Conditions are parts of a policy that must be complied with. The effect of a breach by the you depends upon whether it relates to;
 - a condition precedent (things to be done before the contract is concluded, e.g. utmost good faith);
 - a condition subsequent (things to be done during the policy term, e.g. maintaining certain standards);
 - a condition precedent to liability (things to be done before the insurer is liable for a particular loss, e.g. proper notification (see (c) below).
- (c) Claims Notification – Your policy document will demand that claims or circumstances that could, may, or are likely to give rise to a claim be reported within strict timescales, and that your conduct in dealing with that claim does not prejudice the insurers position. Your failure to report such matters to your insurers either directly or via ourselves cannot be understated. Notification to us does not mean that you have fulfilled your obligation to report the claim to insurers in itself.

Here are some examples of those states of affairs which the Warranty, Condition or policy term demands.

Setting a security device e.g. alarm or lock.	Store equipment in a certain manner or at a certain height.	Report a claim or circumstance in a particular time or fashion.
Notify the insurer of a change in circumstance e.g. new products being sold.	Inspecting a premises/location at specified intervals and keeping a record.	Issuing staff with safety equipment and having them sign for it.
Meeting at all times any and all legal or statutory requirement you have as a business.	Removing keys from the vehicle when not in use/unattended/out of sight.	Ceasing something – e.g. using a portable heater.

3. Consequences of a breach of policy terms, warranties and conditions.

The Act also includes changes to the way that the law deals with insurers rights in the event of breaches of warranties and terms. These changes will affect **both commercial and personal insurance contracts**.

An insurer will no longer be able to avoid a policy where a breach of policy term occurs; instead cover will be suspended for the period that you are in breach of the warranty. This means that where it is possible you may be able to remedy the breach of warranty and continue with the insurance policy. However Insurers will not be responsible for a loss during any period where cover was suspended for a breach of warranty.

Remedies for Breach of Policy terms and conditions, Material Non-Disclosure or Misrepresentation fall into two categories.

1. Policy Avoidance

This will happen if you fail to make a *fair presentation* of the risk. Insurers may avoid your policy (that is treat it as if it had not existed) and refuse to pay any claims where any failure to make a *fair presentation* is:

- i) deliberate or reckless; or
- ii) of such other nature that, had you told insurers about the material fact or circumstance, they would not have issued, renewed or varied your policy.

2. Proportionate Remedies

In all other cases, if you fail to make a *fair presentation* of the risk, insurers will not avoid your policy but may instead adopt the following:

- i) If the insurer would not have entered into the contract on any terms: the insurer may avoid the contract and refuse all claims but must in that event return the premiums paid.
- ii) If the insurer would have entered into the contract but on different terms (other than terms relating to the premium): the contract is to be treated as if it had been entered into on those different terms if the insurer so requires, even if you would never have accepted such terms.
- iii) In addition, if the insurer would have entered into the contract but would have charged a higher premium (whether the terms relating to matters other than the premium would have been the same or different): the insurer may reduce proportionately the amount to be paid on a claim.

In sub-paragraph iii) above, '**reduce proportionately**' means that the insurer need only pay on the claim X% of what it would otherwise have been under the terms of the contract (or, if applicable, under the different terms provided for by virtue of paragraph i, because ii and iii can apply together).

The calculation is as follows:

$$X \text{ (claims payment)} = \frac{\text{Premium actually charged}}{\text{Higher Premium}} \times 100$$

For these reasons it is important that you check all of the facts, statements and information are accurate and complete.

An insurer may wish to contract out of certain elements of the Act subject to your understanding and agreement and we will advise you of the implications of this should the situation arise.

4. Maintaining adequate policy cover at all times.

You must ensure that the levels of cover i.e. sums insured, values at risk, limits of liability and other financial rating estimates declared to us are adequate at all times. This is and will remain solely your responsibility. We recommend that you seek professional guidance from competent parties in the setting of appropriate figures such as rebuilding costs, assets/equipment replacement and other materials. We would remind you that when setting the levels of cover for your Business Interruption cover, the insurance definition of Gross Profit **differs considerably** to that of the one used by all Accountants, book-keepers and finance professionals.

Remember - You must advise us immediately of any changes in circumstances which may affect the cover provided by your policy.

We are here to help you, so if you do not understand your obligations you must contact us immediately.