

We're different because you are

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Moffatt Saunders

## 1. Regulatory Information & Terms of Business ("Terms")

In these Terms references to "we" or "us" are to the company whose details are set out in the covering letter that accompanies these Terms. We recommend that you carefully read these Terms – they describe some important rights and safeguards you have under the FSA's regulatory regime and are also the terms that will apply to our appointment by you. In particular, this document describes:

- **the services we will provide** you and on whose behalf we are acting when arranging insurance for you (s.4);
- **how we earn income** from arranging insurance and your right to disclosure of that income (s.7 and s.15);
- **how we search the insurance market for a policy to recommend to you and how we select the insurers we use** (s.5);
- important information regarding your **obligation to disclose details** (s.3), **cancellation rights** (s.14), **complaints** (s.19) and **how much refund of premium you may be entitled to if you cancel your policy early** (s.7, 9 and 12).
- how our liability to you is limited in certain circumstances (s.24)

If you are uncertain as to your obligations under these terms or you want any explanation about them please email, write to or telephone us using the contact details provided.

## 2. Who are we regulated by?

The Financial Services Authority ("FSA") is the independent watchdog that regulates financial services. We are authorised and regulated by the FSA and you can check this by visiting the FSA's website <http://www.fsa.gov.uk/register> or telephoning the FSA on 0845 606 1234.

**Permitted Business:** Our permitted activities are recommending insurance policies, arranging insurance cover; dealing as agent and assisting with the administration and performance of policies – all in connection with general insurance.

## 3. Your legal duty to disclose information to us and insurance companies

It is your responsibility to provide complete and accurate information to insurers when you take out your insurance policy, throughout the life of the policy and when you renew it. It is important you ensure that all statements you make on any proposal form, claim forms or other document is full and accurate. Please note that if you fail to disclose any material information or change of circumstances to your insurers, this could invalidate your insurance cover and could mean that part or all of a claim may not be paid. We strongly recommend that the information provided is checked thoroughly prior to submission and that you keep a record of all correspondence supplied in relation to the arrangement of your insurance cover. Please also note that any renewal of insurance will be made in reliance upon the information provided by you in connection with your previous insurance policy – we will assume that such information remains correct unless you tell us otherwise.

## 4. Our Service

We will advise you and make a recommendation to you each time we assess your general insurance needs, including at renewal. We will also assist in the administration of your policy, including assisting you in making claims. We will act for you as your agent when finding and putting in place suitable insurance and also in the event of a claim. However, should this change for any reason, we will advise you beforehand. "Acting as your agent" means that when arranging your policy (including helping you complete proposal forms and disclosing information to your insurer) you take responsibility for our actions. It is therefore very important that you check carefully any form that we may help you complete or information we pass on for accuracy, as you could be held responsible for any errors which in turn may effect your ability to claim.

## 5. Which insurance companies do we use to select your insurance?

We do not select insurers and give advice based on a "fair analysis" of the market. Instead, we will usually recommend a policy/policies from a limited number of selected insurance companies. On request, we will give you a list of those insurers available to us. However,

- For domestic household insurance (excluding insurance for "high net worth" individuals and thatched properties) and Insurance for SME Retailers, Surgeries, Offices, Restaurants and Hotels / Guest Houses we only offer products from Towergate Underwriting Group Ltd
- For claims assistance insurance, we only offer policies from Towergate Underwriting group Ltd;

Please be aware that we have a common majority shareholder with Towergate Underwriting Group Ltd. We are not under a contractual obligation to select and recommend products in this way. Occasionally we will use the services of another insurance intermediary to arrange a product suitable for your needs (sometimes called an "insurance chain"). Where this happens, you will be advised of this and any fees you pay for this arrangement will be separately disclosed to you.

## 6. Important Information Relating to Renewal of Policies

Prior to the expiry of your policy where we will be inviting a renewal we (or your insurance company) will endeavour to send you details of the cost and terms to renew your policy. To protect your interests and in the event that we do not receive your instructions and payment prior to the date of renewal, we reserve the right (but shall have no obligation) to renew your policy and (in the case of direct debit/instalment payments) to continue to accept payment from you unless and until you specifically notify us or your insurance company in writing that you wish to cancel your policy. Where we have assumed (in the absence of instructions to the contrary) that renewal is required you may be liable to make payment to us and/or your insurance company.

## 7. The fees we charge for our services

- Customers purchasing insurance in connection with their trade, business or profession (known as "Commercial Customers") will be charged up to £150 per policy for starting cover, renewing cover or making alterations (including issuing copy documents). The exact amount will be confirmed to you in writing prior to you becoming liable to pay it, or verbally (with written confirmation to follow) if this is not possible. The per policy charge will not be made in respect of Legal Expenses or Towergate Assist policies.
- Customers NOT purchasing insurance in connection with their trade, business or profession (known as "Consumers") will be charged up to £50 for starting a new policy, renewing or making changes to an existing policy (including issuing copy documents). The per policy charge will not be made in respect of Legal Expenses or Towergate Assist policies.
- All payments made by credit card will be charged £5.

Occasionally, due the nature and complexity of the work we undertake for you, we may wish to charge a higher administration fee – any fee of this nature will be fully explained, agreed and notified to you prior to you becoming liable to pay it. All fees are inclusive of any applicable tax that may be levied from time to time. Note - Our fees are non-refundable even if you cancel your policy, please also see ss. 9 & 12.

## 8. Fees in Lieu of Commission

This paragraph applies where we have, as an alternative to commission, agreed to charge fees in lieu ("FIL"). Where we have agreed to charge a FIL the services which we shall perform shall be set out in a separate service summary ("Service Summary"). Any commission which we receive which is directly connected with the insurances placed by us on your behalf will be retained by us and set off against the FIL and any other amounts from time to time due and payable by you under this Agreement. Unless otherwise agreed by us the FIL will cover the period set out in the Service Summary. The FIL is calculated by reference to the full term of insurance policy or policies arranged for you. Unless we agree otherwise no refund of any FIL or other remuneration shall be payable in the event that (for whatever reason) the actual period of insurance is less than the full term or you terminate this Agreement before the expiry of any policy arranged by us on your behalf. In the event that we are obliged to refund any commission which has been paid to us and retained by us in lieu of all or part of the FIL we reserve the right to charge you for the amount of commission refunded. We reserve the right to charge fees in addition to the FIL where you request services which go beyond those specified in the Service Summary. We will endeavour to agree these additional charges with you before they are incurred, failing which the additional fee will be calculated by reference to the hourly charge out rate (from time to time) which applies to the staff involved in providing such additional services. The hourly charge out rate for any additional services is subject to any applicable tax which may be levied from time to time and does not include travelling or other expenses where the additional services are performed other than at our offices.

## 9. Payment of Premiums

In the absence of any alternative terms which we agree with you in writing (such as payment by instalments which we can arrange for you) our payment terms are as follows:

- new policies – full payment of premium and fees on or before the inception date of the policy;
- adjustments to existing policies – full payment of any additional premium and fees on or before the effective date of the change;
- renewals – full payment of premium and fees prior to the renewal date.

We normally accept payment by cash, cheque, debit or credit card or monthly instalment (please see section 19, below, for further information). Time shall be of the essence, both as regards times, dates and periods specified in this paragraph and as to any times, dates or periods which we may agree can be substituted for any of them. In the event that you fail to pay any premium and/or fees when due your insurer may cancel your policy from the inception/renewal date and reject any claims thereunder. The acceptance by us of any payment from you (including the encashment of cheques) does not constitute acceptance of any risk by insurers or any commitment by us to arrange insurance cover on your behalf. Accordingly you should not assume that insurance cover is in place until you have received written confirmation of cover in the form of a cover note, policy certificate or equivalent.

## 10. Payment of premium using Third Party Instalment facilities

If you elect to pay for your insurance premium using our third party supplier, Premium Credit Limited (PCL), your details will be passed on to them. They will send you a welcome pack detailing full terms and conditions. Any queries or questions about the service provided by PCL should be in the first instance be directed to them on 0844 736 9836. Where your policy is paid via PCL and you elect to renew your cover (or we renew your cover pursuant to clause 6 of this agreement), we will again continue to pass your details to PCL. If any direct debit or other payment due in respect of the credit agreement you enter into with PCL to pay premiums is not met when presented for payment, or if you end the agreement with PCL, or if you do not enter into a credit agreement with PCL we will be informed of this by PCL. If you do not make other arrangements with us to pay your insurance premiums (please see clause 9 of this agreement) you acknowledge and agree that we may instruct on your behalf any relevant insurer to cancel the insurance and to collect any refund of premiums which may be made by the insurer, and if any money is owed to PCL under your credit agreement to pay it to PCL or if PCL have debited us with the amount outstanding, to use it to offset our costs.

## 11. How we hold your money

Premium(s) and any other monies we may hold on your behalf (for example refund premiums and claim cheques received from an insurer) will be held in Trust until such time as they are remitted by us to your insurance company/to you. This may be a Statutory or Non-Statutory Trust account operated in accordance with FSA regulations. Some of the insurance companies we deal with have agreed to deem any premiums that you pay to us as having been received directly by themselves. This improves your protection against financial loss in the event of our insolvency. Please note that this is not the case for all the insurance companies we deal with and where this added protection does apply it may only extend to premiums, and not to any claim payment, refund or other monies that we may from time to time hold on your behalf. Should such an arrangement be agreed with an insurer(s) we may not hold your funds in Trust because of this added protection. Where we hold money in a non-statutory Trust we may use the funds in that account as a short term credit facility to fund another client's premium before it is received from that other client and/or to pay claims and premium refunds to another client before we receive the same from an insurer. Occasionally we may pass your premium to another insurance intermediary who will also be required to hold your money in Trust until the premium is deemed to have been received by the relevant insurer. Between receiving any money from you and us passing it on to insurers (and vice versa), we may remove it from the Trust account in which it is held to another account in order to earn interest or other investment income from it. In such an event the account in which it is placed will be set-up with the same Trust protection as the account from which it is removed. Similarly, in cases where we wish to close a bank account (and with it the associated Trust), we may transfer your money to another bank account with the same Trust protection. We will retain any interest or income accrued. By accepting these terms you consent to the way we will hold your premium (and/or other insurance related money) in accordance with this paragraph.

## 12. Refund of premiums

In certain circumstances your insurer may repay part of your insurance premium(s) to us. This can occur where, for example, the risk covered by your policy is reduced (for example; a reduction in the value of your contents on a domestic home insurance policy) or the policy is cancelled. How we deal with this depends on the amount to be refunded;

- **Where the amount of the refunded premium is less than £10 (per policy)** we will retain such amount, but where a policy administration fee is made we will set it off against this fee. For example, if you reduced your cover mid-term resulting in a return premium due to you of £8.00 (for the processing of which we usually charge a policy administration fee typically of £35), we will offset the refund that we retain against the administration fee due. This would result in a charge to you of £27 (£35 administration fee, less the £8.00 refund which we retain).
- **For any refunded premium in excess of £10 (per policy) including cancellations mid-term** we will usually be asked by the insurer to return to them the commission on the refund due to you, called a "clawback". Because the majority of our costs are incurred administering the inception or renewal of a policy we do not return commission to the insurer and instead remove it from the refund due to you. In recognition of this, where the amount of the clawback is in excess of the administration fee payable at that time, we will not charge an administration fee. For example, if we process a change to cover resulting in a return premium to you of £175 (including a £35 clawback of commission we would otherwise have to pay back to the insurer), we would refund £140 (£175 - £35) but not charge you an administration fee.

This paragraph does not affect any cancellation/refund rights which Consumers may have pursuant to paragraph 14 below.

## 13. Our right to set off monies you owe us

We shall be entitled (but not obliged) without notice to you to set off any amounts due to us from you against any amounts which we may receive on your behalf.

## 14. Cancellation Rights

You will find full details of your cancellation rights, and any related charges which may be levied by your insurer in your policy document. Consumers (as defined by FSA – that is, persons who have bought insurance for purposes not connected with their trade, business or profession) have 14 days to cancel their policy, without having to provide reason, with effect from the later of: (a) the day they receive the full terms and conditions of their policy, or; (b) the day the policy is sold – but in either case this usually does not apply to policies of less than one month's duration, or single-trip travel policies. Cancellation rights vary between insurers and you should check your insurer's documentation if you are considering cancelling your policy. If you are a Consumer and you exercise your right to cancel your policy within the 14 day cancellation period you will be charged for the period during which you were covered, and other charges may be applied to cover the insurer's and our costs in arranging the cancelled policy, which will usually mean we will retain any fee charged. If you cancel your policy after the expiry of this 14 day period we reserve the right to charge you for our time and costs. This will usually mean we will charge you for the commission we would have received had the policy remained in force for the full term, together with any fee we may have charged when we sold or renewed your policy (but subject to the provisions of s.9). This is because the majority of our costs are incurred "up front" in setting up your policy and at each renewal. If you cancel before expiry we would not make the earnings we had anticipated and may in fact make a loss.

## 15. Information on our remuneration and Commercial Customers' right to commission disclosure

Unless we tell you otherwise, we will earn a commission from the insurers we place your business with. Other companies may also be involved in placing or servicing your business and may charge an administration fee or other payment which will be passed on to you and disclosed separately from the cost of your insurance. We may also earn a "profit-share", management or administrative fees and other payments from insurers for efficiently managing business transacted with them, including payments for hitting agreed volumes of sales. These payments are not directly referable to individual policies, meaning that we are unable to disclose to you how much your policy contributed to any "profit-share" payment we might receive, but ordinarily, a "profit-share" payment represents a small proportion of the normal commission we receive and will be retained by us. The amount of any profit share or similar arrangement is funded entirely by the insurers; they do not effect the premium you pay. We may earn referral fees from third parties which may derive from incidental activities including arranging premium financing and risk management and will be retained by us. Additional amounts may also be paid to us by third parties where compensation for a personal injury claim is obtained or where a hire car is arranged following an accident. In each case we will retain these payments. Any interest received on monies held on your behalf will be retained by us. For each insurance contract, including any subsequent renewal, **if you are a commercial customer** (i.e. where the insurance was purchased in connection with your trade, business or profession) **you have a right to request information regarding any remuneration that we may have received as a result of placing your insurance business.** We will respond to your request as soon as reasonably practicable but within five working days by providing you with a clear statement in writing.

## 16. Insurer Solvency

We endeavour to place business with insurers with adequate levels of financial solvency but cannot guarantee the solvency of any insurer.

## 17. Notification of incidents

It is essential that you notify us immediately of all incidents or allegations that may result in a claim against your insurance policy. You must do so whether you believe you are liable or not. Failure to do so may result in your insurer refusing to accept a claim. Any communication making allegations which could give rise to a claim which is received by you from any third party must be passed to us immediately, without acknowledgment. Only by providing prompt notification of incidents can your insurance company take steps to protect your interests.

## 18. How to make a claim

If you wish to report a claim or potential claim, please call the number shown on the headed paper (or business card) that accompanies this document. Please quote your policy number or other reference we have given you. Your insurance documents will also provide details as to how to make a claim and to whom to contact. Please see s.6 of this document for details of those insurers and classes of business for which we have authority to settle claims. If this applies to you and in recognition of a potential conflict of interest, we will seek your permission for us to deal with such a claim.

## 19. Complaints

We aim to provide a high standard of service to you at all times. However, sometimes things can go wrong and if this occurs we are committed to resolving matters promptly and fairly. You can complain to us using any of the following methods:

- by writing (including email), to the Managing Director at the address shown on the letter (or business card) that accompanies this document, and/or to Phil Joiner;
- by telephone or fax, using the numbers shown on the letter document (or business card) that accompanies this document, and/or;
- in person, at the address shown on the letter (or business card) that accompanies this document.

In all cases please quote your policy number or other reference we have given you. If you cannot settle your complaint with us you may be entitled to refer it to the Financial Ombudsman Service. A summary of our complaints handling procedure for customers is available on request. **Please note that you must give us the opportunity to resolve your complaint before it may be taken to the Ombudsman.**

**20. Are we covered by the Financial Services Compensation Scheme (“FSCS”)?**

Yes. You may be entitled to compensation from the scheme if we cannot meet our obligations, depending on the type of customer you are and, in the case of a business, the size of that business and the circumstances of the claim. For compulsory classes of insurance, advising and arranging is covered for 100% of any claim, without upper limit. For other classes, coverage is 90% of any claim without upper limit. The compensation scheme may change from time to time - further information is available from the FSCS at [www.fscs.org.uk](http://www.fscs.org.uk).

**21. Confidentiality and Data Protection**

All information about you of a sensitive or personal nature will be treated as private and confidential. We will however use and disclose the information we have about you in the course of arranging, placing and administering your insurance. This may involve passing information about you to insurers, other intermediaries, risk management assessors, uninsured loss recovery agencies and other third parties involved (directly or indirectly) in your insurance. We may also pass information about you to credit reference agencies and premium finance providers in connection with the assessment of your financial standing generally and, in particular, where you have requested a premium instalment plan – this may include details of your payment record with us. We may also pass information about you to other companies which are in or are associated with our group. We or they may also use the information we hold about you to provide you with information on other products and services we or they can offer and which we or they feel may be of interest to you. If you do not wish to receive marketing information from us or them, or for us to disclose information about you to other parties for marketing purposes, please contact us immediately. In the interests of security and to improve our service, telephone calls you make to us may be monitored and/or recorded.

**22. No Waiver and Amendments**

A failure at any time by us to enforce any right or obligation shall not be deemed to be a continuing waiver of such right or obligation. You should obtain any amendment or variation of these Terms requested by you in writing by our duly authorised officer or employee. We reserve the right to amend these Terms at any time during our appointment (including for the avoidance of doubt during the term of your insurance) by giving you not less than 7 days’ notice. We may assign or delegate all or any part of these Terms and/or the services to a third party without your prior consent where this will not significantly reduce any protections given to you under these terms or under the regulatory system.

**23. Prior Agreements and Acceptance**

These Terms form the basis of our appointment as your agent in connection with the arranging and administration of your insurance and (save as set out in the remainder of this s.24) supersede all prior discussions and representations. If you intend to rely on any representation made to you prior to receipt of these terms, you will need to obtain it in writing in accordance with s.23 above. These Terms constitute an offer by us to act on your behalf in the arranging and administration of your insurance – in the absence of any specific acceptance communicated to us by you, you are deemed to accept our offer to act for you on the basis of these Terms by conduct upon your instructing us to arrange, renew or otherwise act for you in connection with insurance matters.

**24. Limitation of our Liability**

Our liability for losses suffered by you as a direct consequence of any negligent performance of our services shall be limited in all circumstances to £5,000,000 per claim if you purchased insurance from us for purposes NOT connected to any trade business or profession you hold, or limited in all circumstances to £10,000,000 if you DID purchase insurance in connection with any trade, business or profession you hold. In respect of any other claim arising out of our performance or non-performance of the services hereunder our liability shall be limited to the amount of commission and fees which we have received for arranging your insurance cover during the 12 months prior to such claim arising. We shall not be liable to you for any pure economic loss, loss of profit or loss of business, in each case whether direct, indirect or consequential, or any claims for consequential compensation whatsoever (such as that listed above and howsoever caused) which arise out of or in connection with our services or this agreement. Nothing in this paragraph excludes or limits our liability for death or personal injury caused by our negligence, or for loss caused by our fraud, wilful misrepresentation or breach of regulatory obligations owed to you. You are welcome to contact us to discuss increasing the limitations of our liability and/or varying the exclusions set out above. Please note however that an additional charge and other terms may apply should we agree to amend this clause.

**25. Governing Law**

These Terms are governed by and construed in accordance with the Laws of England and Wales and the parties submit to the exclusive jurisdiction of the Courts of England and Wales.

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