

TERMS OF BUSINESS LETTER

Backhouse Insurance Brokers Limited

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Tel 01282 677776 Email info@backhouse.co.uk

SERVICE & COMMITMENT - Backhouse Insurance Brokers Limited is a statutorily regulated company of the Financial Conduct Authority (reference number 307658). Only companies regulated by The Financial Conduct Authority are authorised, with very few exceptions, to sell general insurance products, and they undertake to monitor all activities including financial position, sales, advisory and service standards of the company.

Our name/address and statutory status can be checked by telephone on 0800 111 6768 or by visiting the Financial Services Register at <https://register.fca.org.uk/>.

The company acts independently and provides impartial advice and recommendations on the particular choice of Insurer. On occasion we will act as a sub-broker to obtain preferential terms, where we do not deal directly with the insurer, and when this situation arises you will be clearly advised.

All our sales are advised unless we advise to the contrary.

DEFINITION OF A COMMERCIAL CUSTOMER - A policyholder acting for purposes within his/her trade, business or profession.

DUTY OF DISCLOSURE - You are obliged to ensure that the Insurer is provided with full and accurate material circumstances about your risk, now and throughout the lifetime of your policy. A material circumstance is anything that may influence an Insurer's judgement in their assessment of your policy and should include all incidents/losses that you have dealt with yourself without involving an Insurer. A material circumstance could include changes to your business activity, criminal convictions or any financial issues such as a potential bankruptcy or CCJs. If you are unsure as to whether a circumstance is material, we recommend that it be disclosed. Failure to disclose may entitle the Insurer to refuse to pay part or all of any subsequent claims. Specific obligations also apply as per below depending on your status.

DUTY OF FAIR PRESENTATION (Commercial Customer) - Before entering into a contract of insurance, prior to a mid-term alteration and ahead of your policy renewal, it is your statutory duty to make a fair presentation of your risk.

This information must be provided in a clear and accessible format. You must disclose, where practical, all material circumstances about your risk, this being information that might affect the judgement of a prudent insurer in deciding whether to accept your risk or not - should you require additional explanation of what constitutes a material circumstance, please contact us immediately.

You must make reasonable enquiries before presenting your risk and ensure that all individuals holding knowledge about the risk have been approached in the compilation of this information. If you feel you have not been able to do so, please advise us so we can allow underwriters to make further enquiries if they wish to do so. You must complete any proposal forms or fact finds provided to you, honestly, accurately and in good faith.

Any deliberate or reckless misrepresentation may involve part or your entire claim being declined and, in some circumstances, the Insurer may be entitled to retain your premium whilst avoiding the policy or apply additional terms to your policy.

This duty exists whilst arranging your policy, when it is renewed and any time that it is varied, and your policy documentation may provide that your duty continues for the duration of the policy. If you do not do this, your insurers may be able to impose different terms on your policy cover, may charge you a higher premium or, in some circumstances, may be able to void your policy from inception and any claims made would not be paid.

Please contact us immediately for assistance if you do not fully understand your duty of disclosure and of fair presentation, if you are unsure whether any information volunteered may be misleading or if it comes to your attention that full and accurate information may not have been provided in response to the insurer's questions.

PAYMENT OF PREMIUMS - Premium payment may be made through the Insurer's own direct debit facility where available or through a Premium Finance provider we represent.

Payment can also be made by most debit or credit cards or by BACS. Backhouse Insurance Brokers Limited holds Client Money in a Statutory Trust Account with an approved bank.

In the majority of instances Backhouse Insurance Brokers Limited acts as agent of the Insurer for the collection of premiums (risk transfer) which means that such money is treated as being received by the Insurer when received by us. Where we do not have risk transfer, we will advise you.

PAYMENT TO THIRD PARTIES - We may transfer client money to third parties, such as another broker, for effecting a transaction on your behalf through that party. This may include brokers or agents outside the UK. The legal and statutory regime applying to that party outside the UK may be different from that of the UK and in the event of a failure of that firm, this money may be treated in a different manner from that which would apply if an agent in the UK held the money.

You may notify us if you do not wish your money to be passed on to a party in a particular jurisdiction.

PREMIUM FINANCE - We may be able to arrange finance for insurance instalments through the insurer or through a preferred premium finance provider. We act as a credit broker in arranging premium finance facilities and we will give you further information about this before we finalise your instalment arrangements. When we are aware there is an alternative premium finance arrangement available, with a lower annual percentage rate, for example direct with your insurer, we will let you know. This will enable you to make an informed decision. We will not make a specific recommendation or provide you with specific advice. We will give you the relevant information you require, honestly, fairly and professionally and in a way that is in your best interests. This may include information about one or more agreements that you may be eligible for, so that you can compare them, which will enable you to make your own choice about whether to go ahead with any particular finance agreement.

IMPORTANT - Using premium finance makes the overall cost of the insurance more expensive. We will ask you to confirm that you have actively elected (that you have "opted in") to pay via premium finance. A full breakdown of the cost of your insurance and the cost of credit will be provided as part of your new business or renewal quotation before you make a decision whether to proceed.

Your agreement will last for 12 months but the premium finance may last for a shorter period.

If you choose to enter a finance arrangement, your details will be passed to a third party (insurer or lender) to enable them to contact you and you should contact us at the address given in this document if you do not want your details passed to that party.

This finance arrangement will be subject to interest charges that we will confirm to you when providing the full details. Importantly, the arrangement you will enter into will be with the finance company not us. It is an entirely separate contract irrespective of the insurance contract. In the event of your failure to meet with the contractual obligations regarding payment the finance provider could approach the insurer to seek a termination of the insurance contract to recoup their outstanding finance arrears. You will be liable to pay their costs and charges if you do not keep up your repayments and cover is cancelled under your policy. This is because the agreement is between you, the policyholder, and the finance company direct, not us or the insurer. It is important that you read the finance agreement that is sent to you before you agree to enter into such an agreement. For the provision of premium finance facilities, a credit check will be performed if you wish to use this payment.

REMUNERATION AND CHARGES - Backhouse Insurance Brokers Limited is remunerated by receiving a percentage of premium by way of commission which will be disclosed to clients on request. Where we make a professional fee charge, this will be clearly identified. We may earn additional income from insurers to reflect our efficiency and/or profitability; from premium finance providers; and from interest on our statutory trust account to which you consent to us retaining. You have the right at any time to request details of any commission earned. No earned commission or fees will be refunded for mid-term alterations resulting in a return premium or cancellation of your policy.

INSURERS - On selection of an Insurer, we endeavour to take account of their financial standing using market knowledge, disclosed accounts and performance standing with the various rating agencies. We cannot guarantee Insurer solvency nor the future ability of any Insurer to meet immediate or long-term obligations. A liability for the premium, whether in full or pro-rata, may arise under policies where a participating insurer may be insolvent.

CREDIT CHECKS - To make sure you get the best offer from insurers, now or at any renewal or at any time and to protect their customers from fraud and to verify your identity, they may use publicly available data which they obtain from a variety of sources, including a credit reference agency and other external organisations. Their search will appear on your credit report whether or not your application proceeds. Unless you contact us to confirm you do not wish us to carry out these searches, we will assume your consent has been given and proceed as above.

YOUR COMMITMENT - Whilst the Financial Conduct Authority regulates members for the protection of clients, it is your responsibility to provide complete and accurate information before and during the policy period. It is important that you ensure that all statements made on your proposal and claim forms are full and accurate. The possible consequences of not providing full information could be an avoidance of the policy or non-payment or partial payment of a claim.

CLAIMS PROCEDURE - A major benefit of insuring via Backhouse Insurance Brokers Limited is our commitment during our period of appointment to provide a first class claims service, which is why we have a dedicated team dealing with claims.

When a claim occurs: In office hours you have the option of contacting ourselves or the Insurer "Help Line" or "Club Line", both provide a similar service and are designed to provide initial guidance. Out of office hours, the Insurer lines are open 24 hours a day/365 days a year. If you do contact the Insurer, we will be notified. Acting in your interests, we will contact you in writing with our own claim number. Contacting ourselves will produce a similar letter acknowledging the claim. Either method will result in ourselves giving you advice on how to proceed. If the incident is not covered in part or in full, we will provide in writing a full explanation.

Where selected, we will appoint your legal expenses Insurer and supply them with all necessary documentation to pursue a recovery of your uninsured losses such as an excess. It should be noted that the Insurer has the option of reinstating/replacing or providing cash settlement, the option is theirs but acting on your behalf we will endeavour to seek the option you require. In the event of a large claim such as a fire, we would recommend the services of a loss assessor, who would represent your interests against that of the Insurer-appointed loss adjuster.

All our claims are "diarised" to chase the Insurer for settlement, where appropriate, or, where you specifically request, we will provide a progress report. It is usual for larger material damage or liability claims to take longer to settle due to their complexity. On settlement of the claim, we will forward the cheque immediately it's received and the settlement letter will provide advice on the progress of recovering costs from an at fault third party where appropriate.

FINANCIAL SERVICES COMPENSATION SCHEME (FSCS) - We are covered by the FSCS. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business/ circumstances of the claim. Further details are available by downloading the *Protecting your Money FSCS Leaflet* (PDF)

SCOPE OF CAPACITY AND SERVICES - Advice with a personal recommendation – we will advise and make a personal recommendation once we have assessed your needs. Our service includes arranging your insurance to meet your demands and needs and assisting you with ongoing changes.

Capacity - we act as your agent when sourcing a policy, assisting in completion of a proposal form or statement of fact, advising what cover meets your needs, placing the insurance and in the event of a claim. We are acting on behalf of the Insurer when we issue cover notes, policies, certificates and when we collect your premium. We will advise you where this is not the case. We will email your documentation to you. However, should you require a hard copy, we will print the documentation and send without charge.

SELECTION - Where appropriate, we have conducted a fair and personal analysis of the market to meet your demands and needs. We have access to a sufficiently large proportion of the markets that have your product available. To obtain a product that most meets your needs, we may use another intermediary to assist in placing your business. Occasionally we may only offer products from a single Insurer which meets your Demands and Needs. You will be notified when this occurs.

COMPLAINTS PROCEDURE - If you are dissatisfied in some way, we would like to know and, as required by the FCA, we have a formal complaints handling procedure. Speak to the person with whom you arranged the insurance policy or with whom you normally deal. If that person is unable to answer your query to your satisfaction and you wish to make a formal complaint, you may do so either orally or in writing.

All complaints will be acknowledged promptly by our Complaints Officer. We are statutorily required to provide a final response within eight weeks but will in any event look to respond as soon as practically possible, given the complexity of the matter of the complaint. Our response will include an acceptance of complaint and an offer of redress or a rejection of the complaint with reasons.

If there remains dissatisfaction, then a further appeal can be made within six months from our final response to The Financial Ombudsman Scheme. Where compensation may be available, we are bound by any decision.

Financial Ombudsman Scheme
Exchange Tower
Harbour Exchange Square
London
E14 9SR
Tel: 0845 605 5525
Website: www.financial-ombudsman.org.uk

CONFIDENTIALITY - All personal information about you will be treated as private and confidential. We are registered with the ICO as a Data Controller. We undertake to comply with the General Data Protection Regulation (GDPR) in all our dealings with your personal data. Your personal information will be kept secure. If you require more information on how we use your personal data, please refer to our privacy notice.

FINANCIAL CRIME - The National Crime Agency (NCA) requires us to report any suspicious transactions to them, and we may have to obtain evidence of client's identity at the start of a business relationship. We may ask for sight of your passport, utility bill or bank statements. For companies, evidence usually consists of a copy of the Certificate of Incorporation or we may check the Companies House register.

CANCELLATION NON-CONSUMER - Commercial insurance policies do not routinely have cancellation rights except those available to the Insurer. As a Commercial customer, you do not have the same cancellation rights by law as a consumer but may still have specific contract rights and reference should be made to the policy document to ascertain your position.

Where returns of commercial premiums are made on cancellation, it is usually following cancellation by the Insurer, not the policyholder. On cancellation of a policy, any refund or premium allowed by the Insurer will be paid to you after deducting our annual commission and fees.

TERMINATION – Our services may be terminated without cause or penalty by giving one month's notice in writing. If our services are terminated by you other than at the expiry of the policy, we will be entitled to retain any fees and all the brokerage payable. The responsibility for handling claims reported after the date of termination shall, in the absence of an express agreement, be the responsibility of the party taking over the role.

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 exclusive jurisdiction of the English courts.

LIMITATION OF OUR LIABILITY - You acknowledge and agree that you shall only be entitled to make a claim against us and not against any individual employee or consultant engaged by us. Our liability for losses suffered by you arising under or in connection with the provision of our services, whether in contract, tort (including negligence), breach of statutory duty or otherwise (and including liability for the acts or omissions of our senior management, employees and any appointed representatives) shall be limited in all circumstances to £2,000,000 per claim. Any claim or series of claims arising from one act, error, omission incident or original cause shall be considered to be one claim. We shall not be liable to you for any loss of profit or loss of business whether directly or indirectly occurring and which arises out of or in connection with the provision of our services. Nothing in this paragraph shall exclude or limit our liability for death or personal injury caused by our negligence or for loss by our fraud, fraudulent misrepresentation or breach of regulatory obligations owed to you. You can contact us to discuss increasing the limitations of our liability and/or varying the exclusions set out above.