



# Abaco Insurance Brokers

## CLIENT TERMS OF BUSINESS.

### **INFORMATION ABOUT US**

Abaco Insurance Brokers Ltd are an independent insurance broker registered in England & Wales. Our Head Office address is: 1 Lewis Court, Grove Park, Enderby, Leicester, LE19 1SD.

Abaco Insurance Brokers Ltd has no holding direct or indirect that represents voting rights in any insurance undertaking and no insurance undertaking has any voting rights or capital in Abaco Insurance Brokers Limited.

Abaco Insurance Brokers Ltd is authorised and regulated by the Financial Conduct Authority ("FCA"), the independent watchdog that regulates financial services. Our permitted business includes insurance advising and arranging. You can check this by visiting the FCA's website [www.fca.org.uk/register](http://www.fca.org.uk/register) or by contacting the FCA on 0845 606 1234.

**Please read this document carefully. It sets out the terms on which we agree to act for you and contains details of our regulatory and statutory responsibilities. Contact us immediately if there is anything which you do not understand.**

We would particularly draw your attention to the following sections of these Terms of Business:

- Duty of Disclosure
- Premium Payment
- Cancellation
- Client Money Arrangements

### **HOURS OF BUSINESS AND INSTRUCTIONS**

09.00 - 17.30 Monday to Friday other than Bank and Public Holidays. We cannot accept instructions from you outside of these times and we will still require time after your instructions to obtain cover if possible from Insurers.

### **ADVISING ON/ARRANGING YOUR INSURANCE**

We will usually provide advice or information on the basis of a fair analysis of the market. The number of insurers approached will depend upon the type of insurance required and sometimes a selection of insurers or single insurer may be used. If you wish, you may ask for a list of insurers with whom we offer insurance. We will confirm to you whether we have approached the whole market, a selection of insurers or a single insurer.

Upon receipt of your instructions we will place insurance with insurers and keep you informed of progress of our negotiations. We will advise you of any inability to place your insurance.

### **SECURITY**

We will advise you of the insurers with whom it is proposed to place any insurance on your behalf. However, we cannot and do not guarantee the solvency or continuing solvency of any insurer used. You should note that the financial position of an insurer can change after cover has been accepted.

A liability may arise to pay the premium in part or in full under policies where a participating insurer becomes insolvent.

### **PREMIUM PAYMENT**

You must provide the premium due in cleared funds in accordance with the amounts and payment dates specified in our debit notes. Failure to meet the payment dates may lead to insurers cancelling your policy without further notice.

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.

### **PAYMENT OPTIONS**

We will provide you with full details of all the payment options available to you when we provide you with your insurance premium.

If you choose to enter in a finance arrangement, this 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.

**Please note that we only use Premium Credit Ltd for the provision of premium finance facilities.**

### **FEES & CHARGES**

Credit Card transactions will be subject to a 2.5% transaction charge, American Express a 5% charge applies. No charge will be made for Debit Card transactions.

We reserve the right to charge you £15 if you issue a cheque to us which does not clear on the first presentation and £25 for mid-term adjustments, replacement policies, certificates, cover notes or other documents. We charge a fee of £40 for cancellation of a policy after inception or renewal: this is deducted from any return premium allowed to you by the Insurer. Any other fees will be notified to you before an insurance contract commences. Interest on the outstanding sum at 2% AER over the Bank of England base borrowing rate, (minimum 3%) will be charged to you in the event that you do not pay any premium due to us within our credit terms as shown above. No fee charged is refundable.

### **HOW TO CANCEL**

You may have a statutory right to cancel this insurance within a short period. Please refer to your policy summary or your policy document for further details. If you cancel you will receive a pro rata refund of premium from the insurer. We may also keep an amount that reflects our administrative costs of arranging and cancelling the insurance.

If you wish to cancel outside this period you may not receive a pro rata refund of premium. We may also keep an amount that reflects our administrative costs of arranging and cancelling the insurance.

## **MID-TERM ADJUSTMENTS**

In the event of a mid-term adjustment, insurers may return some, or the entire premium to us. In such circumstances we reserve the right to retain our brokerage and/or fees in full.

## **REMUNERATION**

Our remuneration for our services is normally in the form of commission or brokerage which is a percentage of the insurance premium paid by you and allowed by the insurer(s) with whom the insurance is placed; and /or a fee previously agreed with you.

Our remuneration is earned at the inception of the policy and each successive renewal date and brokerage and/or fees will not usually be returnable. In

addition to client fees and/or brokerage payments we may also receive remuneration by way of:

- Interest earned on insurance monies passing through our bank accounts
- Expense allowances or commissions from insurers for managing and administering certain covers, binding authorities and other similar facilities.
- Profit commissions or profit shares paid by insurers on specific facilities and arrangements for a limited class of business
- Administrative service fees which may be paid for limited specific service we provide to insurer(s) as part of the placing or claims process

We will deal with you openly and when requested, we will disclose the amount of any additional income (or where that is not feasible a reasonable estimate of the additional income or its basis of calculation) from the above and any other sources which we may receive in relation to insurance which we arrange.

## **YOUR DUTY OF DISCLOSURE OF MATERIAL FACTS – Commercial Clients**

A Material fact is one which may influence the decision of an insurance underwriter in deciding whether or not to accept the insurance proposed and/or impose special terms. If you are not sure of what constitutes a material fact please discuss with us any fact or topic or facet of your personal or business life which could conceivably have a bearing upon insurer's assessment of the risk. To ensure that your insurance cover is effective it is vitally important that you understand the need to disclose material facts to insurers. Please read the following guidance notes carefully. You should always disclose material facts and also advise us immediately if the answer is "yes" to the following questions:

Have you or any other person named as an Insured, or has your business or your partner(s) or any director(s) of the business now proposed or in respect of any other or previous business of theirs or yours ever had:

- |                     |   |
|---------------------|---|
| (Insurance History) | <ol style="list-style-type: none"><li>1. A proposal or policy declined or cancelled or a renewal of a policy refused by an insurer, or had special terms and conditions imposed upon a policy.</li><li>2. Sustained loss or damage and/or made a claim whether insured or not in respect of the risks now proposed.</li></ol> |
| (Legal History)     | Have any convictions for a criminal offence other than minor motoring offences.   |
| (Financial History) | <ol style="list-style-type: none"><li>1. Any County Court Judgment's or similar judgements.</li><li>2. An involvement with an organisation which has suffered severe financial failure e.g. bankruptcy or insolvency.</li></ol>   |
| (Business)          | Any involvement with any other type of business beyond that now proposed.   |

The list of headings and examples under these headings are not exhaustive. It is meant to provide you with a sensible guide as to the sorts of information which insurers often use to assess your proposal. You must also consider whether the risk you are proposing for insurance has special features which the underwriter would not necessarily know unless advised.

Please remember that all of the above Material Facts and potentially other Material Facts must be disclosed both now and at all times in the future to ensure that your cover is not prejudiced and your policy will function properly. Disclosure is a continuous requirement. Should you not act with the utmost good faith or fail to disclose any material fact or circumstance to insurers, they may void the contract.

## **PROVIDING INFORMATION TO YOUR INSURERS – Consumer clients**

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

For Consumers (individuals buying insurance wholly or mainly for purposes unrelated to their trade, business or profession) this means that you must take reasonable care to answer all questions fully and accurately. Once cover has been arranged, you must immediately notify us of any changes to the information that has been provided to your insurers. Failure to provide accurate and up to date information may invalidate your insurance cover and mean that a claim may not be paid.

## **DOCUMENTATION**

We will issue documentation confirming details of the policy purchased, including the identity of your Insurers.

We will advise you of the dates(s) on which any premiums are due, and if relevant, the consequence of late payment.

Where required by regulation we will also:

- Set out your demands and needs as understood by us
- Confirm whether the contract has been personally recommended and, if so, the reasons for making that recommendation
- Include a summary of the key aspects of your policy
- Provide you with the policy confirmation
- Provide you with renewal terms in good time before the expiry of your policy, or notify you that renewal is not being invited.

Please read through any summaries of cover, letters, or registers of insurance which we issue. These documents attempt to provide you with a summary of the main points only of the policy. You should be aware that there will be other terms and conditions of the insurance which are not shown in such documents and which will restrict or exclude cover. It is most important that you read through the policy documentation in its entirety and ask us if any point is unclear or if additional or amended cover is required. If your cover includes Employers Liability insurance you must by law retain the certificates for 40 years.

## **CLAIMS**

You must notify us as soon as possible of a claim or circumstances which may give rise to a claim. We will advise you what you need to do to pursue your claim; you should note you will need to state all material facts concerning your claim.

We will provide you with assistance in submitting a claim and seeking to obtain reimbursement. However, in the event that an insurer becomes insolvent or delays making settlement we do not accept liability for any unpaid amounts. We will remit claims payments to you as soon as possible after they have been received on your behalf.

## **CLIENT MONEY ARRANGEMENTS**

Historically we have held premium and claims monies on behalf of our clients. Recently, some insurers have elected for risk transfer whereby we hold premium and claims money as agent of the insurer. In these circumstances premium paid to us is deemed to be paid to the insurer. It is therefore possible that on any risks placed by us there could be a combination of some insurers who have accepted risk transfer and some who have not. If you would like to know the exact position of any particular placement please let us know.

### **\*Non-Statutory Trust**

We keep client money with NatWest; it is separate from our own money and subject to a non-statutory trust as prescribed by the FCA. This means that we are entitled to and may use client money held on behalf of one client to pay another client's premium before the premium is received from that other client, and to pay claims and premium refunds to another client before we receive payment from the insurer. We only take our remuneration from client money when we receive the relevant premium from the client.

### **\*Interest on Client Money**

Any interest or exchange gains or losses realised from client money held by us will be retained by us.

\*Please note: in accepting these Terms of Business you are giving your consent for us to hold your money in a non-statutory trust and for us to retain any interest or exchange gains or losses as described above.

### **Payment to Third Parties**

We may transfer client money to another person, such as another broker or settlement agent, for the purpose of effecting a transaction on your behalf through that person. This may include brokers and settlement agents outside the UK. The legal and regulatory regime applying to a broker or settlement agency outside the UK may be different to that of the UK, and, in the event of a failure of the broker or settlement agency, this money may be treated in a different manner from that which would apply if the money were held by a broker or settlement agent in the UK.

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

### **Funding**

Notwithstanding the operation of the non-statutory trust as described above, our policy is not to generally fund premium on your behalf to insurers, nor to fund claims to you due from insurers. If this does occur you acknowledge that any funded amount whether arising as a result of a payment by us or a deduction by you from amounts payable to us is to be refunded to us immediately, and that for the duration of any funding such funded amounts are not considered to be a gift from us. We reserve the right to charge interest of any such funded items from the date the funding commenced to date of payment.

## **COMPLAINTS**

It is always our intention to provide a high standard of service. If our service falls below the standard our clients reasonably expect and they have cause for complaint, we will endeavour to ensure that at the appropriate stage the matter is handled fairly and promptly by a suitably senior and independent member of staff. If you wish to register a complaint then please contact the Compliance Officer in writing at our address; or telephone 0116 281 5960. If we consider that your complaint does not relate to our services (for instance, if the matter concerns the performance of your insurer) we will put you in contact with an appropriate person to whom your complaint may be addressed.

We have a formal complaints procedure details of which we will send to you either on receipt of a complaint or on request. If we are unable to settle your complaint you may be entitled to refer it to the Financial Ombudsman Service at Exchange Tower, Harbour Exchange Square, London E14 9SR: telephone 0800 023 4567 or 0300 123 9123; [website www.financialombudsman.org.uk](http://www.financialombudsman.org.uk)

## **COMPENSATION**

We are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Most Insurance contracts are covered for 90% of the claim, without any upper limit. Compulsory insurances (for example, motor insurance and employers' liability insurance), are covered for 100% of the claim, without any upper limit. Further information about compensation scheme arrangements is available from the FSCS on 020 7892 7300 or by visiting <http://www.fscs.org.uk/>

## **MONEY LAUNDERING/PROCEEDS OF CRIME ACT**

We are obliged to report to the National Criminal Intelligence Service any evident or suspicion of money laundering at the first opportunity and we are prohibited from disclosing any such report.

## **STATUTORY REQUIREMENTS**

We are registered under the Data Protection Act 1998 and Consumer Credit Act 1974.

## **LIMIT OF LIABILITY**

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

We shall not be liable to you for any indirect or consequential loss or damage, these may be losses that are not reasonably foreseeable, (whether for loss of profit, loss of business, depletion of goodwill or otherwise), costs, expenses or other claims for consequential compensation whatsoever (howsoever caused) which arise out of or in connection with the services we provide to you.

Our total liability in contract, tort (including negligence or breach of statutory duty), misrepresentation or otherwise, arising in connection with the performance or contemplated performance of our services to you ("Claim") shall be limited to £1,200,000 (one million, two hundred thousand pounds).

If you are not a Consumer (as defined by the FCA) and our professional indemnity insurers refuse to indemnify us for any claim made by or on behalf of you then our total liability in relation to that claim shall be limited to £1,200,000 (one million, two hundred thousand pounds).

## **LIABILITY FOR DIRECTORS, OFFICERS OR EMPLOYEES**

You acknowledge and agree not to make any claim personally against any employee, director or officer arising out of the work and services provided under this agreement. This clause does not in any way limit or affect our liability to you as detailed in the limitation of liability clause

**PROTECTING YOUR INFORMATION**

All personal information about you will be treated as private and confidential (even when you are no longer a customer), except where the disclosure is made at your request or with your consent in relation to administering your insurance, and except where law requires us. The FCA may ask us to provide it with access to our customer records in order that it may carry out a review of our activities.

Some or all of the information you supply to us in connection with your insurance proposal may be passed to other insurance companies for underwriting and claims purposes. Under the Data Protection Act 1998 you have a right of access to see personal information about you that is held in our records, whether electronically or manually. If you have any queries, please write to the managing director at the address below.

**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 courts.

ABACO INSURANCE BROKERS LTD  
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Abaco Insurance Brokers Ltd are authorised & regulated by the Financial Conduct Authority (FCA)