

Hamilton Leigh Ltd

TERMS OF BUSINESS AGREEMENT

Please read this Agreement carefully as it sets out our respective obligations. It also contains information that the Financial Services Authority (FSA) requires us to provide to you.

1. **Commencement.** This Agreement shall apply with effect from 1st November 2009 and replaces any previously issued Agreement. We reserve the right to amend or alter these terms from time to time by notifying you accordingly.
2. **Definitions.**
 - a) "We/us" means Hamilton Leigh Ltd of Unit 1 Capital Business Park, Manor Way, Borehamwood, Hertfordshire WD6 1GW
Tel: 0845 402 7000 Fax: 0845 402 7001
E-mail: info@hamiltonleigh.com Web: www.hamiltonleigh.com
 - b) A "consumer" shall mean any natural person who is acting for purposes which are outside his trade or profession. A "commercial customer" is a customer who is not a "consumer".
 - c) "You/your" means a customer or potential customer whether a consumer or commercial customer.
 - d) Reference to "insurer" or "insurers" shall be construed to include insurers, reinsurers, underwriters, markets or managing agents with whom we place insurance business.
3. **Regulation.** We are an independent insurance intermediary (broker). We are authorised and regulated by the FSA to advise, arrange and administer general insurance contracts. Our Firm Reference Number is 310424 and you can check this on the FSA register by visiting their website www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234.

We are required to comply with the FSA Principles relevant to an insurance intermediary and these include:

- Conducting our business with integrity and paying due regard to the interests of our customers and treating them fairly;
 - Conducting our business with due skill, care and diligence;
 - Paying due regard to the information needs of our customers and communicating with them in a way which is clear, fair and not misleading;
 - Managing conflicts of interest fairly, both between us and our customers and between a customer and another customer.
4. **Relationships.** We act as your agent and are subject to the law of agency, which imposes various duties on us. In certain circumstances, however, we may act for and owe duties of care to other parties. We will advise you when these circumstances occur so you will be aware of any possible conflict of interest.
 5. **Professional Indemnity.** We conform to the FSA Rules in respect of Professional Indemnity Insurance. This type of insurance is mandatory. We maintain a limit of indemnity of at least £2,000,000.
 6. **Financial Services Compensation Scheme (FSCS).** Our activities 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 and the circumstances of the claim. Full details and further information about the compensation scheme is available from the FSCS website: www.fscs.org.uk
 7. **Our Service to You.** We offer a full range of insurance products and our service includes: advising you on your insurance demands and needs; arranging your insurance cover with insurers directly or via other intermediaries to meet your requirements and assisting you with any subsequent event or alteration to your insurance that we have placed on your behalf. We may issue policies and handle claims on behalf of some insurers. We will advise you of any inability to place your insurance.

When selecting insurers to provide quotations we will always base our selection on a fair market analysis unless we tell you otherwise at the time of providing such a quotation. We have arrangements with some insurers where we are given what we consider to be preferential terms and conditions for certain insurance products. We may place your business under one of these arrangements if:

- (i) we feel one of these arrangements meets your requirements
- or
- (ii) we are providing terms exclusively from those insurers for the type of business that you require.

In this event, we will specifically advise you at the time of providing the quotation, since in that situation our terms may not represent a fair market analysis.

We also have some arrangements that allow us to select only from a limited number of insurers for certain insurance products. Where these arrangements exist we will advise you at the time of providing a quotation, as this may not represent a fair market analysis.

8. **Quotations.** Unless otherwise agreed, any quotation given will remain valid for a period no more than thirty (30) days from the date of issue of the quotation.
9. **Financial Security of Insurers.** We regularly review the financial status of the insurers with whom we place business. To do so, we use publicly available information including that produced by credit rating agencies. Under no circumstances do we guarantee or warrant the solvency of any insurers. In the event of an insurer's insolvency, you may still have a liability to pay the premium.
10. **Client Money.** This is money of any currency which we hold on behalf of our customers. The FSA Rules require us to hold client money:
 - (a) in a statutory client money trust or
 - (b) in a non-statutory client money trust or
 - (c) in accordance with the FSA client assets sourcebook (CASS)

Both types of trust account must be held with an FSA approved bank and we must keep client money entirely separate from our own money.

All monies received from you or for payment to you will be held by us on one of the following bases:

- (i) as agent of the insurer concerned (risk transfer). This means, for example, that if you pay a premium to us, it is treated as having been received by the insurer and you cannot be asked to pay again
or
- (ii) on your behalf within a non-statutory client money trust account and will be governed by the FSA Client Money Rules. Upon request we will provide you with a copy of the relevant Trust Deed.

The aim of the trust is to protect you, the customer in the event of failure of us, the bank or a third party at which the money may be held. In such a circumstance, the firm's general creditors should not be able to make claims on client money, as it will not form part of our property. The fact that we hold money on trust gives rise to fiduciary duties which will be owed to you until the client money reaches the insurer or product provider. As we will hold client money subject to a non-statutory client money trust we are entitled to and may, in certain circumstances, use money held on behalf of one customer to pay another customer's premium before the premium is received from that other customer, or to pay claims or premium refunds to another customer before we receive payment from the insurer. We are not, however, entitled to use client money to pay any commissions due to us before we receive the relevant premium in cleared funds from a customer.

11. **Segregation of Designated Investments.** We keep client money separate from our own money. We may do this by paying it into a client bank account. We may also do this by arranging to hold separately permitted designated investments with a value at least equivalent to the money that would otherwise have been paid into a client bank account. If we do this, we will be responsible for meeting any shortfall in our client money resource which is attributable to falls in the market value of a segregated investment.
12. **Interest on Client Money.** Any interest earned on client money held by us and any investment returns on any segregated designated investments will be retained by us for our own use, rather than paid to you.
13. **Payment to Third Parties.** We may transfer client money to another party, such as another broker or settlement agent, for the purpose of effecting a transaction on your behalf through that party. This may include brokers and settlement agents outside the UK. The legal and regulatory regime applying to a broker or settlement agent outside the UK may be different from that of the UK and in the event of failure of the broker or settlement agent, 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 want your money to be passed to a person in a particular jurisdiction.
14. **Documents.** All policy documents will be issued in a timely manner, but, in line with insurer requirements, we reserve the right to retain certificates or other policy documents at this office until all payments due under the policy have been made. Any agreed facilities for payment of premiums by instalments through us will be subject to us retaining certificates of insurance or other policy documents until all payments have been received. By accepting this agreement, you agree that delivery of any certificates of insurance to us shall constitute delivery to yourself in accordance with statute law. Should we withhold any documents we will ensure you receive full details of your insurance cover.

Your policy documentation will confirm the basis of the cover and give details of the insurers. Prior to the conclusion of the contract you will be given a statement of your demands and needs as we have understood them, which you should read carefully. Where a particular contract is being specifically recommended, this will be shown in the quotation together with the reasons for the recommendation.

15. **Renewals.** Although we shall remind you of your policy expiry prior to each renewal, we must have your informed consent to renew prior to renewal date. Unless expressly agreed otherwise, if your confirmation is not received we have the right to lapse your cover. You will be given an explanation of any necessary changes in good time and you will be advised of your right to request a new policy document.
16. **Cooling Off Period (Consumers only).** We will give you enough information to enable you to make an informed decision before you make a final commitment to buy your insurance policy. You will have, however, fourteen (14) days to change your mind and cancel the insurance contract from the date you receive the policy documentation.
17. **Claims.** If you have occasion to claim on your policy you must notify us immediately. We will promptly advise you and, if appropriate, issue you with a claim form and pass all details to your insurer. You should not admit liability nor agree to any course of action, other than emergency measures carried out to minimize the loss, until you have agreement from your insurer. Failure or delay to report claims properly may prejudice your insurer's position and lead to your insurer repudiating your claim.
18. **Assignment of Claims.** In the event that any of the conditions of this agreement are breached, you hereby agree that any claims payments or return premiums due from insurers may be assigned to Hamilton Leigh Ltd to offset any shortfall on your account.
19. **Fees & Charges.** Details of the specific commission earned on your account is available on request. We reserve the right to charge a fee in lieu of commission, or to make charges in addition to any insurance premiums, where commission levels are inadequate to meet the costs of servicing your account or for the arranging, amending, renewing and or cancellation of any policy of insurance. These charges will always be shown separately. In the event of policy cancellation, we reserve the right to make a charge of up to 15% of the refund allowed by your insurers. In addition to customer fees and/or brokerage, we may receive remuneration by way of administrative fees or commissions for services provided to underwriters. Sometimes we receive profit share or over-ride payments from insurers and/or premium finance providers. These payments are subject to the overall profitability of the business placed with the insurer and/or premium finance provider (taking claims and bad debts into consideration) and are, therefore, not guaranteed.
20. **Confidentiality.** Unless required by law, public interest, virtue of our being regulated by the FSA, or you give your consent, all information you supply will be kept confidential to us and the parties involved in the normal course of arranging and administering your insurance. We are registered under the Data Protection Act 1998 and we undertake to comply with the Act in all our dealings with your personal data. You have the right to see personal information about you that we hold in our records. Requests should be made in writing and an administration fee for the supply of this information will apply.
It is our current practice to retain customer information for at least 6 years. After this period, this information may be destroyed at our discretion without notice to you.
21. **Monitoring of Calls.** We reserve the right to monitor and record telephone calls for the purpose of training and to monitor the fulfilment of our regulatory obligations.
22. **Disclosure of Information.** It is important that you understand that any information, statements or answers made by you to us, or to your insurer, are your responsibility and must be correct. Your attention is particularly drawn to the importance of the declaration and signature on any insurer's proposal form, as any failure to disclose facts material to the insurance or any inaccuracies in your answers may invalidate your insurance cover in part or in whole. Facts material to the insurance are matters or information which may influence your insurer as to the acceptability or otherwise of your proposal or renewal and must be disclosed immediately. You are advised to keep copies of documentation sent to or received from us for your own protection. Please do consult us if you are in doubt on any aspect. The disclosure of information not only applies at commencement and renewal of your policy, but also at anytime during the period of insurance.
23. **Exchange of Information.** Insurers pass information to the Claims and Underwriting Exchange run by Insurance Database Services Ltd and the Motor Insurance Anti-Fraud and Theft Register run by the Association of British Insurers. The aim is to check information provided and also prevent fraudulent claims. Motor insurance details are added to the Motor Insurance Database run by the Motor Insurers' Information Centre, which has been formed to help identify uninsured drivers and may be searched by the Police to help confirm who is insured to drive. In the event of an accident, the database may be used by insurers and the Motor Insurers' Bureau to identify relevant policy information.

24. **Sums Insured/Declarations.** It is your responsibility to ensure that your sums insured are adequate and accurate. Under the terms of your insurance policy, insurers are able to reduce or even refuse to meet a claim payment where it is discovered that sums insured declared to them are inadequate. Similarly, insurers may also be able to void policies where declarations submitted are inaccurate. We are unable to accept any liability arising from the inadequacy of your sums insured or any financial information that you have provided.
25. **Awareness of Policy Terms.** When a Policy is issued, you are strongly advised to read it carefully, as it is that document, the schedule and any certificate of insurance that is the basis of the insurance contract you have purchased. Please pay special attention to the claims notification provisions and to any warranties and conditions, as any failure to comply may invalidate your cover. If you are in doubt over any of the policy terms or conditions, please seek our advice promptly.
26. **Payments.** Unless otherwise agreed in writing, premiums must be settled in accordance with the terms specified in the relevant invoice/statement. We accept no liability to pay premium to insurers in any circumstances unless cleared funds have been received. Any delay or failure to make payment within the prescribed time may jeopardise your insurance cover. In the event of non-payment, we may instruct insurers to cancel any insurance policy arranged on your behalf. Should this be necessary, we will write to you giving you seven (7) days notice. In this instance, we reserve the right to retain any return premiums, commissions or fees that we may receive. If you are paying your premium by direct debit and if payments are not collected by the third party finance provider you will be fully responsible for all payments due, interest accrued and/or costs. Delayed payments or non-payment may jeopardise your insurance cover.
27. **Cancellation.** Cancellation of your insurance policies in no way reduces the requirement to meet your obligations under this agreement. Insurance contracts are for 12 months (unless specifically agreed otherwise) and return premiums may not reflect the entire unexpired period of insurance and in some cases, return premiums may not be available. For the avoidance of doubt, our fees and/or charges are non-refundable.
28. **Proceeds of Crime Act 2002 (Money Laundering & Fraud).** We are obliged to report to the Serious Organised Crime Agency (SOCA) any evidence or suspicion of money laundering at the first opportunity and we are prohibited from disclosing any such report.
29. **Consumer Credit Licence.** We hold a Consumer Credit Licence.
30. **Complaints.** It is always our intention to provide a first-class service. Should you have any cause for complaint, you should in the first instance, contact a company director either:
- by telephone on 0845-402-7000 or
 - in writing to: Hamilton Leigh Limited
Unit 1 Capital Business Park
Manor Way
Borehamwood
Hertfordshire
WD6 1GW
- We will write to acknowledge your complaint promptly, identifying who is dealing with it and we will keep you informed of the progress of the measures being taken to resolve your complaint. Within 8 weeks of receiving the original complaint we will issue a final response or a reply indicating why a final decision cannot be made and when we are likely to be in a position to make a final response.
- If we are unable to resolve your complaint, you may be entitled to refer it to the Financial Ombudsman Service (FOS) and details of this service are available at www.financial-ombudsman.org.uk
- Your insurers also operate a complaints procedure, details of which are outlined in your policy document.
31. **Governing Law.** This Agreement shall be governed and construed in accordance with the laws of England and any disputes arising under it shall be determined in the English Courts.
32. **Rights of Third Parties.** A person who is not party to this Agreement has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms of the Agreement but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

Note: Your acceptance of these Terms of Business does not affect your normal legal rights.