

Terms of Business

The purpose of this document is to set out our professional relationship and the services we will provide to you. This is our standard client agreement upon which we intend to rely ('Terms of Business'). For your own benefit and protection you should read the terms carefully **and in particular, we would like to draw your attention to sections 7 ('Handling money'), 13 ('Information and changes we need to know about') and section 18 ('Limit of liability')**. If there are any terms which you do not understand, please ask us for further information.

NICEIC and ELECSA Insurance Services, and, NICEIC Insurance Services, and, ELECSA Insurance Services are trading names of SME Insurance Services Ltd. SME Insurance Services Limited is authorised and regulated by the Financial Conduct Authority ('FCA'), and is registered in England & Wales (No:03798294) at: 1 Tower Place West, Tower Place, London, EC3R 5BU. Our FCA reference number is 306057 and you can check our permissions on the FCA's website www.fca.org.uk/register or by calling them on 0800 111 6768 (freephone) or 0300 500 8082.

For the purposes of this agreement the term 'affiliate' means any member of our group, which means our subsidiaries, ultimate holding company and all of that ultimate holding company's subsidiaries as defined in section 1159 of the Companies Act 2006.

In the interests of security, staff training and to generally improve our service please be aware that telephone calls will be monitored and/or recorded.

1. Our service

- 1.1. We are an independent insurance intermediary and will act on your behalf in arranging your insurance requirements. However, in certain circumstances we may act for or owe a duty of care to other parties such as insurers. We will inform you when these circumstances occur so you will be aware of any possible conflict.
- 1.2. Insurance policies taken out, amended or renewed through our **online service** (i.e. without speaking to one of our advisors) will be on a **non-advised basis**. This means information will be provided in order for you to make an informed decision about any insurance transactions are suitable for your needs. If you speak to one of our advisors about taking out, amending or renewing your policy, then you are likely to do so on an **advised basis**. This will include the provision of advice and recommendations where appropriate, in order to ensure insurance discussed is suitable for your needs.
- 1.3. We offer a wide range of products and our service may include:
 - advising on and recommending insurance cover following an assessment of your demands and needs;
 - negotiating terms on your behalf with insurers;
 - providing you with sufficient information so you can make an informed decision as to which policy you want;
 - making arrangements with the insurer for your policy to start; and
 - helping you with any on-going changes you have to make and providing assistance should you need to make a claim.
- 1.4. Depending on the type of cover you require, we will either:
 - select from a **limited panel** of insurers; or
 - offer you a contract from a **single insurer**.
- 1.5. We will confirm which one of these applies before we arrange your insurance contract. A list of the insurers considered will be available on request.
- 1.6. Any information we provide on insurance regulatory and tax issues will be based on information available publicly and our experience from working on similar matters for other clients. We are not qualified to provide, and will not provide, legal,

accounting, regulatory or tax advice. We recommend that you obtain your own advice on such matters from relevant professional advisers.

- 1.7. As part of our negotiations with insurers on your behalf, we may on occasion be able to obtain more favourable terms and conditions for your placement by providing insurers with certain types of information. Where we believe your interests would be advanced by doing so, you authorize us to do the following:
 - at the outset of the negotiations, to provide insurers with the terms of the expiring policy, including pricing, and/or a pricing objective for your placement;
 - during negotiations, to provide one or more insurers with the terms of a quote received from another insurer, where in our judgment doing so may lead to improved terms for you; and
 - at the end of negotiations, to provide one or more insurers with an opportunity to submit an improved quote after all other quotes have been received.

2. How we are paid

- 2.1. In most cases we are paid by commission from the insurer but in some circumstances, we may charge you a fee instead of commission or a combination of both.
- 2.2. In addition to the above, we may receive additional income, profit commission or profit shares from certain insurers or premium finance providers by further payments across a whole account (i.e. non-client specific) which is generated as a result of the performance of that particular insurer's relationship. In limited circumstances additional amounts may also be paid to us by third parties and in each case we will retain these payments.
- 2.3. We will also make additional charges, a full breakdown of these is displayed below.
- 2.4. If you make a change, or cancel your policy mid-term which results in a return of premium, we will retain any commission and/or fee amount to cover our administration and advisory costs. This amount will be specified to you during the transaction process.

- 2.5. If you would like details of how much commission we earn for arranging your policy, please let us know.

Our list of charges:

Transaction	Fee
New Business	£10
Renewal	£10
MTA	£10
Cancellation	£25
Premium Finance Default	£30

3. Premiums

3.1. You must settle the premium(s) due in cleared funds in accordance with the amounts and payment dates specified in our correspondence with you. Failure to meet the payment dates may lead to insurers cancelling your policy, thus leaving you without insurance cover. Please note that where insurers have specified that the premium must be settled by a certain date (i.e. ‘premium payment warranty’), failure to comply can result in the automatic termination of your insurance contract. A charge may apply to payments made by credit card and this will be confirmed to you at the time of incepting or renewing your insurance.

3.2. Please also note that your policy cover will cease if you fail to keep up payments on an instalment agreement or premium finance facility related to it.

4. Premium financing

For the purposes of arranging premium finance, SME Insurance Services Limited acts as a credit broker. We work exclusively with Close Brothers Limited, trading as Close Brothers Premium Finance (‘Close’) to provide a premium finance facility to our insurance clients – a loan with Close is designed for the repayment of insurance premiums only. We will provide you with information about this payment option on a non-advised basis – i.e. we are not providing you with advice as to the suitability of the premium finance product and you will need to make your own decision about whether to proceed. If you do elect to finance your premium payments via Close, SME Insurance Services Limited will receive a payment in return for the work that it undertakes on behalf of the finance provider. Acceptance is subject to status and terms & conditions apply and Close may undertake an enquiry with a credit reference agency such as Experian when you make an application. The credit reference agency will add details of the search and the application to their record about you whether or not the application proceeds. Further details will be provided when an application for finance is made.

5. Awareness of policy terms & conditions

When your policy is issued, you are strongly advised to read it carefully as it is that document, along with the schedule/certificate, that details the policy terms and conditions of the insurance contract you have purchased. You should make sure the documents are accurate and contact us if they contain any errors. If you are in any doubt over any of the policy terms or conditions or you do not understand them, please ask a member of our staff for further clarification.

6. Claims service

6.1. As part of our service, whilst we are your appointed broker, we will help you submit a claim on your policy to your insurer but it remains your responsibility to have read, understood or queried all documentation upon receipt.

6.2. All incidents that could possibly give rise to a claim must be notified to us or your insurer in accordance with the terms of your policy and a claim form completed where required. If you are unsure whether a matter constitutes a claim or not, please contact us and we will advise you. Delay on your part in notifying a claim and/or completing required forms will risk a loss you suffer not being paid in part or in full. You should not, however, admit liability or agree a course of action, other than emergency measures carried out to minimise the loss, until you have agreement from your insurer.

7. Handling money

7.1. We act as agents of the insurer by collecting premiums and handling refunds due to the clients. Such monies are deemed to be held by the insurer(s) with which your insurance is arranged. Any interest earned on insurer money will be retained by us. Your acceptance of this agreement constitutes your informed consent to our treatment of interest and investment returns.

7.2. We may need to transfer these monies to an affiliate, where this is required, you authorise us to do so.

8. Cancellation rights

Your insurance contract may include a cancellation clause and you may have the right to cancel your policy. If you decide to cancel your insurance contract within any stipulated timeframe and you have not made a claim on the policy, you may be entitled to receive a refund of any premium paid, less any reasonable costs incurred by the insurer in providing the cover. The terms of your policy may allow insurers to retain the premium in full or to charge short period premiums in the event of cancellation before the policy expires – please check your policy documentation for further information or ask a member of staff for clarification. Please note our commission and, where appropriate, fees are fully earned from the date insurance cover commences and will not be refundable in the event of cancellation, avoidance or early termination of a policy.

9. Complaints

9.1. We are committed to providing our customers with a high standard of service but things can go wrong in any business. If for any reason we have not met your expectations please let us know:

In writing: Customer Services, SME Insurance Services Limited, Chantrell House, Leeds, LS2 7HA

By phone: 0333 015 6629

By e-mail: support@niceic-and-elecsa-insurance.com

9.2. Should you remain dissatisfied with the way we resolve a complaint, you may have the right to refer to the Financial Ombudsman Service, free of charge. Their address is:

The Financial Ombudsman Service (FOS), Exchange Tower, London, E14 9SR. Tel: 0800 023 4567.

Email: complaint.info@financial.ombudsman.org.uk.

Further information can be found on the Financial Ombudsman Service website. FOS Website: www.fos.org.uk

10. **Compensation**

If we are unable to meet our obligations, you may be able to submit a claim to the Financial Services Compensation Scheme (FSCS). Insurance advising and arranging is covered for 90% of the claim, without any upper limit. For compulsory classes of insurance (such as motor insurance), insurance advising and arranging is covered for 100% of the claim. For full details and further information please contact the FSCS helpline on 0800 678 1100 or visit their website www.fscs.org.uk.

11. **Insurers**

11.1. It is our normal practice to assess on a regular basis the financial strength of the financial institutions that we introduce to our clients. This process involves monitoring the financial ratings applied by independent rating agencies along with other publicly available information.

11.2. The ratings applied to each firm are a reflection of the agencies' views on the medium to long-term ability of each firm to meet its obligations to its policyholders. Where an insurer achieves or exceeds our minimum requirements we place it on our acceptable list. It should be noted that whilst we take every care to promote only the strongest institutions, we are unable to guarantee the financial strength of any insurance company.

12. **Quotations**

Quotations are valid until the date cover commences up to a maximum period of 30 days, unless otherwise stated.

13. **Information and changes we need to know about**

13.1. You have a duty under the Insurance Act 2015 to make a "fair presentation of the risk" to your insurers. This duty requires you to disclose all 'material' information, facts and circumstances; to do so in a manner which is 'reasonably clear and accessible', and not to make any misrepresentations. This duty applies before you take out your policy, when you renew it, when you vary or extend it, and also during the life of the policy, if it contains a particular clause stating that any change in facts or circumstances must be advised to your Insurer.

13.2. A 'material' fact is one which would influence the judgement of a prudent insurer in determining whether to take on the risk and, if so, on what terms. It includes (but is not limited to) any particular concerns which led you to seek insurance cover, any special or unusual facts relating to the risk, and anything which people involved with this type of insurance and your type of business would generally understand as being something which should be included in a fair presentation of the risk.

13.3. This duty requires you to disclose all material facts which are known by your 'senior management' (i.e. the individuals in your business who play significant roles in the making of decisions about how your business' activities are to be

managed or organised) and by the individuals who are responsible for arranging your insurance (including your individual brokers). It also requires you to carry out a 'reasonable search' for material information that you ought to know and which is reasonably available to you. You should therefore make appropriate enquiries for material information throughout your business (including divisions and departments), and outside your business (such as enquiries of your agents and of anyone who will be covered by the insurance).

13.4. When providing information, completing a proposal form or otherwise confirming any information to your insurer, you should take care to ensure that the details provided are complete and accurate; and that all material statements of fact are substantially correct and not misleading, and that any representation you make which is a matter of expectation or belief (e.g. an estimate or forecast) is provided in good faith.

13.5. Failure to comply with your duty of fair presentation could prejudice your right to recover in the event of a claim or enable insurers to apply additional terms to your policy from the date it started, or even to "avoid" your policy (i.e. cancel it from the start, without refund of premium) and treat as if it never existed.

13.6. This is only a summary of your duty to disclose material information. For further guidance, please read the document entitled "The duty of disclosure and fair presentation" and if you have any questions please speak to us.

14. **Transferred business**

Where we are appointed to service insurance policies, other than at their inception or renewal, and which were originally arranged via another party, we shall not be liable during the current insurance period for any loss arising from any errors or omissions or gaps in your insurance cover or advice not provided by us. Should you have any concerns in respect of a policy, which has been transferred to us, or if you require an immediate review of your insurance arrangements, you must notify us immediately. Otherwise we shall review your insurance arrangements and advise accordingly as each policy falls due for renewal.

15. **Data Protection**

15.1. The parties both warrant that they will observe the provisions of the applicable UK, EU and any other applicable data protection laws, including the General Data Protection Regulation, in relation to the agreement.

15.2. We believe that all personal data we request is necessary to conduct our business as an insurance intermediary and risk consultant.

15.3. To provide our services as an insurance intermediary and risk consultant, we will collect and use information about individuals, such as names and contact details, as well as special categories of personal data, such as health information and information about criminal convictions and offences. Personal data will be used for purposes that may include arranging insurance cover, handling claims and for crime prevention. More information about our use of personal data is set out in the SME Privacy notice available on our website.

You can also request a copy of the Privacy notice by contacting us.

15.4. Providing the services may involve the disclosure of personal data to insurers, reinsurers, loss adjusters, sub-contractors, our affiliates, regulatory bodies and other third parties who may require your information themselves for the purposes described in our Privacy notice. .

15.5. Depending on the circumstances, the use of personal data detailed in this clause 15 may involve a transfer of data outside of the UK and the European Economic Area (“EEA”) that have less robust data protection laws. Any such transfer will be done with appropriate safeguards in place

15.6. We may need to collect and use special categories of personal data, such as health information and information relating to criminal convictions and offences. Your consent to our use of this information is necessary for us to provide you with the Services.

Although you may withdraw your consent at any time, if you do we may be unable to continue to provide the Services to you and this may mean that we are unable to process your enquiry or claim or your insurance cover will stop.

15.7. Where you are providing us with information about a person other than yourself, you agree to notify them of our use of their personal data and obtain their consent to our use of any special categories of personal data such as health information and information relating to criminal convictions and offences. You agree that our provision of the Services to you is conditional on you providing such notices and obtaining such consents. Any third party whose personal data we use may withdraw any such consent at any time but if consent is withdrawn then we may be unable to continue to provide Services to them (and possibly you), and this may mean that we are unable to process enquiries or claims or that the relevant insurance cover will stop.

15.8. From time to time we may send you information about similar products or services offered by SME Insurance Services Limited and/or our affiliates either by post, telephone or e-mail. If the product or service is offered by our affiliates, we may pass your contact details to them so they can contact you directly.

15.9. If you would not like us, or any of our affiliates, to send you this type of information or if you would like further information on how your information is used and your rights to access information we hold on you, please advise us.

16. Confidentiality

16.1. All information provided by you is treated as confidential and only disclosed in the normal course of negotiating, arranging and administering your insurance. This may include disclosing information to our affiliates, agents and service providers such as loss adjusters and approved contractors etc.

16.2. We or our affiliates may:

- provide databases to insurers which may include Confidential Information relating to your insurance; and

- include, on an anonymous basis, information relating to your insurance programme in benchmarking, modelling and other analytics offerings.

16.3. More information regarding the databases, benchmarking, modelling and analytics referenced in clause 16.1 is available at:

www.uk.marsh.com/AboutUs/LeadingtheWayinTransparency.aspx.

17. Renewals

Prior to expiry of your policy we will try to contact you. In the event that we do not receive your instructions and payment prior to the renewal date and to protect your interests we reserve the right (but will have no obligation) to renew your policy and in the case of direct debit cases to continue to accept payment from you unless you specifically notify us that you wish to cancel your policy. Renewals are invited on the basis that there have been no changes in the risk or item being insured, other than those specifically notified to us or your insurers (see section on “Information and changes we need to know about”). It is very important that you check this carefully and confirm it remains accurate and complete. You should contact us immediately if the information is incorrect or if your circumstances have changed so we can update your details. **Failure to notify us or your insurer of any incorrect information or change in circumstances may lead to your policy being cancelled or your claim rejected or not fully paid.**

18. Limit of liability

SME Insurance Services Limited’s aggregate liability and the liability of SME Insurance Services Limited to you, on any basis (including for example for breach of contract or negligence), arising out of or in connection with this agreement shall be limited in total to the amount of £10,000,000. SME shall not be liable to you in any circumstances for any special, indirect or consequential loss. These provisions shall not apply to any liability which cannot lawfully be excluded or limited.

19. Work Product

We disclaim all responsibility for any consequence whatsoever should a third party rely upon any report, letter, information or advice we provide to you without our prior written consent that such third party may do so.

20. Termination of this agreement

These Terms of Business may be cancelled by either party by giving 14 days’ notice in writing to the other. You will remain liable to pay for any transactions or adjustments effective prior to termination and we shall be entitled to retain any and all commission and or fees payable in relation to insurance cover placed by us prior to the date of written termination of our authority to act on your behalf.

21. Entire agreement

These Terms of Business constitutes the entire agreement between us and supersedes and extinguishes all previous agreements, (including but not limited to any Terms of Business agreement that may have been previously sent to you by us), promises, assurances, warranties, representations and understandings between us, whether written or oral, relating to its subject matter. You acknowledge that in entering into these Terms of Business you cannot rely on, and

shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that are not set out in these Terms of Business. You agree that you shall have no claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in these Terms of Business. Nothing in this clause shall limit or exclude any liability for fraud.

22. Variation & amendments

No variation of these Terms of Business shall be effective unless it is in writing. Notwithstanding the aforementioned, you agree that we have a right to amend these Terms of Business by sending you either a notice of amendment in writing or a revised Terms of Business. Any amendment will apply in respect of any service transaction entered into by us after notice of the amendment or a revised Terms of Business is provided to you to the extent permitted by law.

23. Third party rights (excluding rights under the Contracts (Rights of Third Parties) Act 1999)

Except as expressly provided in these Terms of Business, a person who is not a party to these Terms of Business shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of these Terms of Business. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act. The rights of the parties to terminate, rescind or agree any variation, waiver or settlement under this Terms of Business are not subject to the consent of any other person.

24. Money Laundering Regulations and Proceeds of Crime Act

You agree to provide such evidence and information about your identity, and that of your associates, as we may reasonably require in order to comply with our obligations under money laundering legislation and regulations and associated Proceeds of Crime Act. We are obliged to report to the National Crime Agency and/or appropriate law

enforcement agencies any evidence or suspicion of financial crime at the first opportunity and we are prohibited from disclosing any such report.

25. Anti-bribery and corruption

The parties agree that Bribery, as defined under the Bribery Act 2010, is prohibited. It is therefore agreed that neither party will request, accept, offer or provide any payment or other advantage, to or from any person, which, in the absence of documentation to demonstrate otherwise, can be perceived as capable of influencing any person connected with the activities of either party to act improperly in contravention of the Bribery Act 2010. It is also agreed that neither party will offer or provide payments or any other advantage to a government official or worker, in any country, with the intention to influence such official or worker in their capacity as such, and to obtain or retain a business advantage.

26. Economic or Trade Sanctions

Notwithstanding clause 20, we reserve the right to suspend or terminate these Terms of Business (in whole or in part) where we believe performance could be a breach of applicable economic or trade sanctions. We will not provide insurance or reinsurance broking, risk consulting, claims or other services or provide any benefit to the extent that the provision of such services or benefit would violate applicable law or expose us or our affiliates to any sanction, prohibition or restriction under UN Security Council Resolutions or under other trade or economic sanctions, laws or regulations.

27. Law & Jurisdiction

These Terms of Business shall be governed and construed in accordance with the laws of England and Wales. In relation to any legal action or proceedings arising out of, or in connection with, these Terms of Business unless otherwise agreed we both irrevocably submit to the jurisdiction of the courts of England and Wales.