



**TERMS OF BUSINESS
AND STATUS DISCLOSURE
(Household)**

1. Broker Information

Tyser & Co. Ltd. of 12-20 Camomile Street, London EC3A 7PJ is an Independent Lloyd's broker. We are authorised and regulated by the Financial Services Authority (FSA). Our permitted business is arranging general insurance contracts. Our FSA Register number is 308648 (a copy of our "Grant of Permissions" letter is displayed on our website). These details can also be checked on the FSA's Register by visiting the FSA's website - <http://www.fsa.gov.uk/register> or by contacting the FSA on 0845 606 1234.

We are required to comply with the FSA Regulations relevant to an insurance intermediary. These include the following:

- To conduct our business with integrity, and pay due regard to the interests of our clients and treat them fairly.
- To conduct our business with due skill, care and diligence.
- To pay due regard to the information needs of our clients and communicate information to them in a way which is clear, fair and not misleading.
- To act with due care, skill and diligence when acting for a client in relation to a claim, and manage conflicts of interest fairly both between ourselves and our clients and also between a client and another client.
- To hold client money to meet certain specified conditions.
- To take reasonable care to establish and maintain such systems and controls as are appropriate to our business.
- To maintain and keep up to date a list of the insurance undertakings we select from and be able to provide a copy of this list in a durable medium to a client on request.

Please read this document carefully. It sets out the terms on which we agree to act for our clients and contains details of our regulatory and statutory responsibilities.

2. Scope of Agreement

In the absence of an agreement to the contrary, this agreement records the scope of the services that Tysers are to provide to you as well as other



terms and conditions that shall form part of the basis of our appointment as your insurance broker.

If you are working with us as an Intermediary, all references in this document to specific insurance needs, policies and procedures etc. equally, where applicable are intended for the ultimate Insured.

3.a Our Role & Service

As independent insurance intermediaries we act as the agent of our client. We are subject to the law of agency, which imposes various duties on us.

We offer a tailor-made product exclusively from one group of Insurers. However, on occasions we will advise you when we may be able to offer an alternative product.

We seek insurance from Insurers who meet our minimum financial guidelines for usage, and will not utilise any other security unless we receive written instructions from you. We cannot and do not guarantee the solvency or continuing solvency of any Insurer used and do not accept liability for any losses arising in this regard.

A liability for the premium, whether in full or pro rata, may arise under policies where a participating Insurer becomes insolvent.

Our service includes –

- Advising you and making a recommendation for you after we have assessed your needs. This will include the type of cover you seek together with the costs. Where required you will be provided with a statement of demands and needs prior to the conclusion of the contract;
- Preparing market presentations and negotiating the most appropriate terms;
- Arranging cover to meet your specific requirements;
- Preparing documentation where this is our responsibility;
- Checking the accuracy of those policies received from your Insurers; relating specifically to our placement;
- Ensuring that you and your Insurer have agreed terms prior to the inception of your policy, whenever possible;
- Notifying your Insurers of any alteration(s) to an insurance policy, we have placed on your behalf, that you have instructed us to make;
- Discussing your renewal requirements;
- Implementing an appropriate claims recording system to meet your requirements;
- Upon notification from you, promptly process claims or circumstances which might result in a claim;
- Reviewing claims with you and your Insurers.



3.b Our Charges

Our remuneration may be as a fee, or as brokerage, which is a percentage of the insurance premium paid by you and allowed by the Insurer with whom the insurance is placed.

We reserve the right to make charges in addition to any insurance premiums, for the arranging, amending, renewing and cancellation of any policy of insurance. These charges will always be advised to you before the purchase of insurance and shown separately on our invoices.

In addition to client fees and/or brokerage payments, we may receive remuneration by way of administrative fees or commissions for services provided to Insurers. We may also act as reinsurance brokers to Insurers with whom we have placed your insurance or reinsurance. Any such placement is a separate contract subject to its own terms and conditions, including those relating to remuneration.

Brokerage and fees are earned for the policy period and we reserve the right to retain all or part of commission earned on any premiums subsequently returned.

In addition to such brokerage or an agreed fees basis of remuneration, we may also benefit from:

- earnings which we are able to generate due to the long-term profitability of our account placed within certain Insurers and its underwriting performance, which are not identifiable to any specific account;
- and earnings which we are able to generate through management of cash balances held on behalf of Insurers and clients, which are not identifiable to any specific amount.

3.c Confirmation of Cover

We will provide you with written confirmation and details of the insurance that has been effected on your behalf, as well as the Insurers who have subscribed to the risk. Please review coverage as recommended under 4.d.

3.d Cooling Off Period

Should you feel that you have not been given sufficient information about the cover at the time of purchase then Insurers will allow you a “cooling off” of 14 days from the date you receive the information that you require. If you decide within this period that you do not want the policy your premium will be refunded provided that you have not made a claim.



3.e Policy Wordings and other Documents

We will seek to have the wording of the Insurance agreed and accepted by you prior to inception of the policy. On completing the placement of a policy we will endeavour to forward to you all relevant documentation within 5 days, to comply with Contract Certainty requirements.

3.f Claims

Where we are to handle claims we will do so fairly and promptly and will keep you informed of progress. Unless otherwise agreed, or because market practice determines otherwise, we will provide our claims handling services during the policy period for the policies placed by us. Our claims handling services include, upon receiving the required information from you, the notification of the claim or circumstances to Insurers, representing you in the resolution of the claim and arranging the collection and/or settlement of the claim in accordance with market practice and your policy terms and conditions. Where claims are to be dealt by you with Insurers directly we will provide advice and support as requested.

Further, our claims handling services may cease where we are satisfied that you have instructed another entity to assume the claims servicing obligations for your Insurance.

Once Insurers have agreed a claim, and the funds have been collected, we will arrange settlement to you without avoidable delay. However, we will not remit claims monies to you before we have received them from Insurers.

Where a very large claim arises, and funds are required immediately, we will attempt to negotiate a payment on account with Insurers in advance of final adjustment and agreement of balance of the claim.

In the event that we are acting for Insurers under a delegated settlement authority, and a conflict of interest arises, we will advise you immediately and seek your instructions.

4. Your Responsibilities

4.a Proposal forms

For certain classes of Insurance you may be required to complete a proposal form, questionnaire or similar document. We can provide guidance but we are not able to complete the document for you.

4.b Disclosure of Information

Please note that under English law and the laws of certain other countries it is your duty to disclose all material facts to Insurers prior to inception of



the policy, and to keep them advised of any changes to such facts or any new such facts throughout the currency of the policy, and upon renewal of the policy. A material fact is a fact which may influence an Insurer's judgement in their assessment of a risk. If you are in any doubt as to whether a fact is material, we recommend that it be disclosed. Failure to disclose material facts may entitle Insurers to avoid the policy from inception.

4.c Acceptance of Cover

You are responsible for providing us with instructions to effect cover on your behalf in sufficient time for us to complete the placement with Insurers prior to the inception date and to meet our regulatory obligations in relation to the policy wording.

4.d Your Policy

As part of our regulatory duties we seek to ensure that both you and your Insurer have agreed all the terms of your policy prior to inception.

Upon receipt you are responsible for reviewing all Policies issued very carefully, as it is these documents, the schedules and any certificates of insurance that are the basis of the insurance contract purchased. Particular attention should be paid to any policy conditions, exclusions, warranties and claims provisions, as failure to comply may invalidate your coverage. If there is any doubt about these, immediate advice should be sought from us.

4.e Claims

You are responsible for notifying claims or potential circumstances that may give rise to a claim. To ensure full protection under your policy, or similar documentation provided, you should familiarise yourself with the coverage conditions or other procedures directly relating to claims and to the notification of those claims. Failure to adhere to the notification requirements, particularly timing, as set out in the policy or other coverage document, may entitle Insurers to deny your claim. All material facts relating to the claim must be disclosed.

Claims may be made against a policy long after its expiry date. It is important therefore that you keep your policy documents in a secure place.

You must not admit liability nor agree to any course of action, other than emergency measures carried out to minimise the loss, until Insurers have given you their agreement. For all crime related claims, you must notify the Police immediately.



4.f Payment of Premiums

We adhere to strict terms of credit on insurance premiums. Any invitation renewal or other request received must be paid by the settlement date stated on our invoice, statement or closing documentation. Failure to do so may invalidate cover and entitle Insurers to cancel the policy.

Your insurance contract may include a cancellation clause. In the event that you fail to pay your premium by the due date the insurance may be cancelled forthwith or by Insurers, giving notice of the cancellation. In the event of cancellation of the insurance contract, Insurers may still require a pro rata premium to be paid.

If we have not received the premium from yourselves, we are under no obligation to pay premium by the Payment Date to Insurers on your behalf.

Once our remuneration has been earned, in the event that the insurance is cancelled after inception, our fees or brokerage will not usually be returnable.

Premium Payment Warranties or Conditions

We will advise you at the earliest opportunity during the placing process if Insurers have imposed a Premium Payment Warranty or a Premium Payment Condition. Where they have, cleared funds must be received by us no later than 7 days prior to the settlement date to ensure that cover remains in place. This is essential since failure to pay premium to Insurers within the specified time may entitle them to cancel cover from the outset.

5. Client Money

“Client money” is money of any currency which we hold on behalf of clients. The FSA rules require us to keep client money in one of two types of account:

- a. A statutory trust account; or
- b. A non-statutory trust account

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

All client monies received from you by Tysers will be held within a non-statutory trust client account and will be governed by the FSA client money rules.

The aim of the trust is to protect the client in the event of the failure of the firm, or the failure of 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 this firm’s property.



The fact that we will 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 hold client money in a non-statutory trust account, 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. However we are not entitled to use client money to pay our commissions before we receive the relevant premium from the client.

When we receive any monies from you or for payment to you, they will be held by us on one of two bases. a) as agent for the Insurer concerned or b) on your behalf within a non-statutory trust client account.

In the event that we receive monies (premiums or claims) as agent of the Insurer concerned, we hold these funds on their behalf. 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.

6. 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 parties 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 a failure of the party, this money may be treated in a different manner from that which would apply if the money were held by a party in the UK. You may notify us if you do not wish your money to be passed to a party in a particular jurisdiction.

7. Banking Details

Client money will be deposited in an approved bank. Payments should be made in one of the following ways:

- (i) Telegraphic transfers should be made to the Bank account(s) shown on our Debit Note/Invoice/Statement in the currency(ies) stated. In all instances please quote our reference. Written advice of any such remittance should be sent to Tysers.
- (ii) All cheques should be drawn on a UK bank account.

Please quote all relevant invoice numbers with each remittance as this will ensure immediate reconciliation and payment to Insurers.



8. **Correspondence**

- a) Please ensure that all correspondence includes our reference.
- b) **Electronic Communications.**

We may communicate with each other by electronic mail, sometimes attaching further electronic data, where we have each expressed a wish for that to happen. By consenting to this method of communication we and you accept the inherent risks (including non-receipt/delivery/security risks of interception of or unauthorised access to such communications, the risks of corruption of such communications and the risks of viruses or other harmful devices).

Notwithstanding that we and you have reasonable virus checking procedures on our systems, you will be responsible for virus checking all electronic communications sent to you. You will also be responsible for checking that messages received are complete. In the event of a dispute neither of us will challenge the legal evidential standing of an electronic document and Tysers' system shall be deemed the definitive record of electronic communications and documentation.

9. **Retention of Documents**

We reserve the right to retain certificates and other policy documents at this office until all payments due under the policy have been made in accordance with our invoice or statement. Should any documents be withheld we will ensure that you are provided with full details of the cover.

For some types of insurance cover it is possible that a claim may be made against a policy long after its expiry date. It is therefore important that you keep all documents in a secure place.

Where we retain documents in an electronic format it should be noted that in most cases we may destroy the original paper version when we have checked the integrity of the electronic version or image.

10. **Confidentiality**

We are registered under the Data Protection Act 1998 and we undertake to comply with the Act in all our dealings with your partyal data.

Information provided to us by you will remain confidential and be used solely for the purpose of providing insurance or reinsurance broking services to you, or to others where we are required to fulfil a regulatory or legal obligation.



Information provided to you by us by way of reports and publications constitutes confidential and proprietary information belonging to us and may only be disclosed and/or used in accordance with permission granted by us. Any other disclosure and/or use is strictly prohibited and we reserve our rights, amongst others, to take such action as is necessary to protect our confidential and proprietary 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 to prevent fraudulent claims.

Please note that English Law recognises the existence of an implied contract of (re)insurance permitting Insurers to inspect certain documents which we hold as your broker. Where possible, we will advise you of any demand made by your Insurers, but you should be aware that the right to inspect does not depend on your prior consent having been given.

11. Complaints procedure

We are committed to providing a high quality Insurance Service to all our clients. If something goes wrong we need you to tell us about it. This will help us to improve our standards.

As an authorised insurance broker, we have a Complaints Procedure, a full copy of which is available on our website or on request.

If you are unhappy with any part of our service, you may raise the matter with the person who handles your account. Alternatively, you may contact our Compliance Dept. or any Director. They can be contacted on 0044 (0)207 623 6262 or by fax on 0044(0)207 621 9042, email: complianceofficer@tysers.com. Any complaint by telephone should be followed up in writing.

In the case of private clients, and commercial clients with a turnover of less than £1 million, you have the right to refer the matter to The Financial Ombudsman Scheme (FOS), to which we subscribe, at any time during the Complaints Procedure. Contact details are as follows;

The Financial Ombudsman Scheme
South Quay Plaza
183, Marsh Wall
London E14 9SR
Telephone: 0207 964 1000
Facsimile: 0207 964 1001
Email: financial-ombudsman.org.uk



If you take your complaint to the Financial Ombudsman Service (FOS), they may wish to have access to the files that we hold in relation to your insurances. Unless you request otherwise in writing, if we are requested by FOS to provide any such files to them, we will pass on such files without further reference to you.

12. Money Laundering / Proceeds of Crime Act

UK money laundering regulations require us to obtain evidence of the identity of clients for whom we act at the start of a business relationship. This might, for example, be evidenced by sight of a current signed passport and two utility bills/bank statements. For Companies (other than listed ones) evidence of identity will usually comprise a copy of certificate of incorporation, a list of directors, a list of shareholders and the Company's registered address.

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

Claims payments will be made in favour of you. If you require a payment to be made to a third party then you must provide written instructions including full details of the payee and provide a brief explanation for your request.

13. Termination

Our services may be terminated either by us or you upon the giving of one month's notice in writing to the other or as otherwise agreed.

In the event our services are terminated by you, we will be entitled to receive any and all fees or brokerage payable (whether or not the same have been received by us) in relation to all policies placed by us.

In the event that we no longer place insurances for you and if we continue to handle your claims, we may seek to agree a fee for future work.

14. Third Party Rights

Unless otherwise agreed between us in writing, no term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999.

15. Law and Jurisdiction

This Agreement, which sets out the terms of our relationship with you, will be governed by and construed in accordance with English Law and any dispute arising under it shall be subject to the exclusive jurisdiction of the English courts.