

TERMS OF BUSINESS

In the absence of an agreement to the contrary the following sets out the terms of our relationship with you, our customer, for the provision of non-investment insurance contracts broking and related services as set out herein. We act as Agents of the Client unless we state otherwise.

THE INSURANCE PARTNERSHIP SERVICES LTD, AND ITS TRADING NAMES:

THE INSURANCE PARTNERSHIP – INSURANCE BROKERS, HAE INSURANCE SERVICES

THE INSURANCE PARTNERSHIP – HEALTH SOLUTIONS

THE INSURANCE PARTNERSHIP – RISK SERVICES

(ALL HEREINAFTER REFERRED TO AS THE INSURANCE PARTNERSHIP)

The Insurance Partnership is authorised and regulated by the Financial Services Authority (FSA) as an insurance intermediary. Our firm reference is 312916 and you may check the details of our authorisation on the FSA's Register, web-site address <http://www.fsa.gov.uk/register> or by telephone on 0845 606 1234. We are a privately owned independent intermediary with no outside financial interest and no interest in any insurer. Products and solutions are offered from a wide cross section of the UK market. Where we select from a sole niche market you will be advised and the reasons given. We only trade with FSA authorised entities.

Negotiation and Placing of Insurance

We will discuss with you or your representatives your insurance requirements, the scope of cover and limits to be sought.

Upon receipt of your instructions, whether written or oral, we will conduct negotiations with insurers on matters including coverage, policy form and premium. We will periodically assess the financial soundness of the proposed insurers and markets and will discuss with you any concerns that may arise. However, we will not in any circumstances act as an insurer nor will we guarantee or otherwise warrant the solvency of an insurer or market. We will also advise you if we arrange insurance through another intermediary who are authorised and regulated by the FSA.

If we are unable to meet your requirements we will advise you accordingly.

During the course of the placement of insurance we will keep you informed of the progress of our negotiations and identify any inability to fulfil the proposed programme. Wherever possible and allowing for supply by insurers, we will comply with FSA Regulations to forward renewal terms within 21 days of renewal date or in good time before expiry. Days of Grace are no longer allowed by insurers. In the case of new business, there will be continuous communication in respect of timescale to ensure the customer is not prejudiced.

Insurers may from time to time grant us a binding authority or similar facility under which we will accept business on behalf of the insurer. We may place your insurance business under a binding authority or similar facility. These facilities, whilst assist in the prompt and efficient placement of risks and service of business, would be used where they matched your insurance needs or instructions.

In view of our pre-eminent position in the local market and in recognition of our efficiency, expertise and professionalism, a major insurer has established an underwriting facility within our Hull and York offices. This enables us to negotiate on a face-to-face basis and to enjoy practical savings to our customers in the form of bespoke terms and enhanced service.

Where a quotation is put forward we will advise the length of its validity but would stress that cover may not be available after expiry of that date. These circumstances would be beyond our control.

We may from time to time contact you in connection with new products or existing products where we believe your needs call for this.

Confidentiality – all information supplied by you is considered to be confidential and is only disclosed in the normal course of negotiation and maintenance of your insurance transactions. Under the Data Protection Act you have the right to see personal information we hold about you in our records.

Servicing

We will confirm to you details of the cover secured on your behalf identifying the insurers included and the percentage of their participation. We will invoice you for the premium due. The dates that the money is due together with any penalties for late payment will be clearly stated to you. At the time of negotiation, in most cases, a range of payment methods will be offered. We are subject to strict terms of credit by insurers and will note our credit terms on your invoices. We shall require prompt payment to enable us to maintain cover. Please note that whilst payment of premium by credit can normally be accepted, there may be occasions when these will be subject to an administrative charge.

We will forward any policy documents, if applicable, in relation to the cover arranged, at the earliest possible opportunity.

At your request, we will advise you on matters relating to your insurance requirements includes advice on market conditions, risk management, effectiveness of existing programmes, new sources of cover and new terms available.

Where we communicate with you other than face to face, you may stipulate the method of communication which is most suitable for your purposes.

Claims

Following notification to us of a claim, or circumstances which may give rise to a claim, we will:

- Notify the claim or circumstances to insurers in accordance with policy requirements.
- Represent you and negotiate where appropriate with insurers, loss adjusters and other parties to assist in resolution of the claim.
- Arrange for the settlement of the claim in accordance with market practice, policy terms and conditions and your best interests.
- If we are unable to deal with any part of the claim we will advise.
- We will keep you apprised of the position with the claim.

Except where otherwise agreed, we provide claims handling services during the policy period where policies are placed with us, or for the duration of a service agreement. These services can be continued beyond our appointment as brokers or advisors, subject to a separate fee to be agreed at the time.

We will use reasonable endeavours to recover on your behalf any insured losses incurred as a result of action by a third party. This is not an insured service and recovery cannot be guaranteed. No charge is made for this service.

Our Remuneration

Our remuneration will be either a fee as agreed with you at the time of initial negotiation or commission which is a percentage of the insurance premium paid by you and is paid to us by the insurer with whom the insurance contract is placed under a legal agency agreement. Where legal and appropriate and with full disclosure to yourselves a combination of both fee and commission may be negotiated.

Brokerage and fees are earned for the policy period and we will be entitled to retain all fees and brokerage in relation to policies placed by us in respect of the full policy period.

Any interest earned from monies in trust will be retained by us unless in the case of a Retail Client the interest for any one transaction exceeds £20.

Other Revenue

We may also receive the following revenues:

A management or administration fee from insurers, which may be paid from the insurance premiums payable to them, to cover our administration work in relation to the contracts we have placed.

Revenue based upon our efficiency and profitability of insurance business placed with a given insurer over a specific period. These payments recognise the services we provide to the insurer over a given period and are not directly related to nor will they influence the services provided to you.

Any specialist services such as Risk Assessments or Health & Safety consultancy work will be invoiced on an agreed fee basis or will form part of our fee, which will be highlighted during negotiations.

Financial Prudence

In the pursuit of financial prudence and in accordance with FSA CASS and ICOB Sourcebooks, all monies (premium and claims) received from, or on behalf of a customer as insurance monies, are identified as such and retained in a designated non statutory trust account separated from the everyday business monies of The Insurance Partnership. It is confirmed by our Banks that they have no right of set-off charge, encumbrance, lien, compensation or retention against any monies standing to the credit of the customer account.

Your Responsibility

It is your responsibility to provide complete and accurate information to insurers when you take out your insurance policy, throughout the life of the policy, and when you renew your insurance. It is important that you ensure that all statements you make on proposal forms, claim forms and other

documents are full and accurate. Where appropriate, we will be able to give advice.

Further, you must disclose to us/insurers, all information which is material to your requirements for cover or which might influence insurers in deciding to accept your business, finalising the terms to apply and/or the cost of cover. Changes which substantially increase the risk, or relate to compliance with a warranty or condition in a policy, must be notified at once. If you fail to disclose any material information to your insurers, this could invalidate your insurance cover and mean that part or all of a claim may not be paid.

You should carefully examine your policy and other insurance documentation to ensure that the cover arranged on your behalf meets with your requirements. Should it not do so you should advise us immediately.

You will pay all sums owned to us by the due date specified in the invoices or insurance documentation requesting such payment. Failure to do so may prejudice your cover, we will also take any appropriate action to recover outstanding monies and reserve the right to charge the statutory rate of interest until such monies are paid.

You should notify us as soon as possible of any occurrence, which gives rise or may give rise to a claim under your insurance policy.

All activities undertaken by us are provided for your exclusive use and all data, recommendations, proposals, reports and other information provided by us in connection with our services are for your sole use only. You agree not to permit access by any third party to this information without our express written permission, or where required by law.

Professional Indemnity

We have taken out and maintain professional indemnity insurance with an approved insurer, which complies with the requirements of the FSA Regulations. Our liability is limited to liability for direct losses arising in contract except where death or personal injury arises from our negligence or as otherwise preserved under statute.

Termination

Our services may be terminated without cause or penalty by either 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 other than at the expiry of the policy period or at renewal we will be entitled to retain any and all fees or brokerage payable (whether or not the same have been received by us) in relation to policies placed by us prior to the date of termination. With effect from the date of termination and in the absence of express agreement to the contrary, we will have no obligation to perform any further services (whether contained in the Terms of Business or otherwise) for you. The responsibility for handling claims reported after the date of termination shall in the absence of express agreement to the contrary be the responsibility of the party taking over our role. Claims reported before the date of termination may be transferred to the party taking over our role.

Governing Law

Our Terms of Business will be governed by and construed in accordance with English Law.

Confidentiality

All information supplied by you is considered to be confidential and is only disclosed in the normal course of negotiation and maintenance of your insurance transactions. We are registered under the Data Protection Act 1998 (DPA). You have the right to see personal or sensitive personal data we hold about you in our records.

Complaints Procedure

Our aim is at all times to provide a first class standard of service. However there may be occasions when you feel this objective has not been achieved.

Should you have any query or complaints regarding insurance contracts placed through ourselves, please contact:

M J Green ACII FCILA, Operations Director, The Insurance Partnership Services Ltd, Partnership House, Priory Park East, Kingston Upon Hull, HU4 7DY

Telephone Number: 01482 213215, Fax Number: 01482 213216,

E-mail: mgreen@insurance-partnership.com

We will endeavour to respond to oral complaints immediately. Written complaints will be acknowledged, in writing, within five business days of receipt, advising who is dealing with the complaint and indicating when you may expect an answer. If an oral complaint cannot be resolved immediately and in the case of written complaints, we will send a written response within 20 business days from receipt of the original complaint.

If the complaint cannot be resolved within this time scale, we will forward details of the progress made to date and the likely time scale involved.

Your insurer also operates a complaints procedure. The details form part of the policy wording and enclosures.

Should you remain dissatisfied, if you are a Retail Customer or a Commercial Customer with a turnover not exceeding £1m you may contact the Financial Ombudsman Service (FOS), telephone number 0845 080 1800 or in writing to

Financial Ombudsman Services, South Quay Plaza, 183 Marsh Wall, London, E14 9SR

Financial Service Compensation Scheme (FSCS)

The Insurance Partnership 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 circumstances of the claim.

Insurance advising and arranging is covered for the first £2,000 and 90% of the remainder of the claim without any upper limit. Further information about the compensation scheme is available from FSCS.

By accepting these terms, you are giving your consent for us to act in the manner described in this Agreement.