

FARLEYS INSURANCE TERMS OF BUSINESS

INTRODUCTION

Please Read this Document Carefully. It sets out the terms on which E. Farley & Son Ltd of 42 Piccadilly, Bradford BD1 3PB ("**Farleys Insurance**") agree to act for our clients, and contains details of our regulatory and statutory responsibilities. The Agreement is governed by, and should be construed in accordance with English Law.

ABOUT US

Farleys Insurance are a wholly Independent Insurance Intermediary, who are Authorised and Regulated by the Financial Services Authority (FSA) under Register No. 304800. You can check this by looking at the FSA Register under www.fsa.gov.uk/register or by contacting the FSA on 0845-606 1234.

OUR SERVICE AND PRODUCTS

We are permitted under FSA Regulation to arrange general insurance contracts for our customers. As such we undertake to comply with the FSA regulations, and honour the duties to you imposed upon us by the laws of Agency which apply. We will act on your behalf, and our service includes:

- Offering you specialist advice and making a recommendation after we have assessed the general insurance needs of you or your business. This will include the type of cover you seek together with the costs.
- Arranging your insurance cover with insurers to meet your requirements. We will advise you of any inability to place your insurance at the earliest appropriate opportunity. In the case of renewal of your Policy, this will be in good time and no later than 21 days prior to expiry of the cover if you are classed as a "Retail Customer" by the FSA.
- Helping you with any ongoing changes you have to make during the period of insurance.
- Assisting you should you need to claim under your insurances.

We offer insurance products and services from a range of Insurers and other authorised intermediaries. We will provide you with the names of all Companies from whom your Policy has been chosen upon request. Whilst **Farleys Insurance cannot** guarantee the financial strength or service of any Company we place business with, we do operate a system of Approved Insurance Suppliers. We will inform you if we are only able to offer you the facilities of a Company which is not approved by ourselves in this way.

In respect of Legal Expenses Insurance, we have selected a product from one specific supplier to provide a cost-effective solution to meet the needs of our customers. The competitiveness of this facility is periodically tested against other suppliers in order to protect your interests. We will only recommend another Legal Expenses insurance provider if we consider that this facility is inappropriate to your Insurance requirements, or is unavailable to you or your business.

We will send you documents confirming the full details of your cover, the insurer, duration of cover and details of the premium(s) you have paid on receipt of your instructions.

YOUR DUTY TO GIVE INFORMATION

It is your responsibility to provide complete and accurate information to insurers when you take out your insurance policy, throughout the life of your policy, and when you renew your insurance. Failure to disclose information pertaining to your insurance, or any inaccuracies in information given, could result in your insurance policy being invalid or cover not operating fully.

It is important that you ensure all statements you make on proposal forms, claim forms, declarations and other documents, are full and accurate. If a form is completed on your behalf, you should check that the answers shown to any questions are true and accurate before signing the document. You are advised to keep copies of any correspondence you send to us or direct to your insurer.

If you are in any doubt about whether information is material, you should disclose it.

POLICY TERMS AND CONDITIONS

All insurance policies contain conditions and exclusions, and some contain warranties which, if they are not complied with, may well invalidate the insurance completely, regardless of whether any loss is caused by the breach. As such we cannot stress too highly the importance of being familiar with the obligations imposed on you by the terms of your policy. To assist, Retail Customers will be supplied with a Policy Summary or Key Facts document when you make your purchase. Commercial customers may also receive a Register of Insurances from **Farleys Insurance**. These documents will draw your attention to the main features of the Policy, and the significant terms, conditions and exclusions which apply. If you have any concerns about any aspect of the cover being provided, please feel free to contact **Farleys Insurance** for further advice.

PREMIUMS AND FINANCIAL ASPECTS

Payment Conditions

We will give you full information about our payment terms, along with the information we need before you purchase your policy. We normally accept payment by guaranteed cheque, the BACS system or the following debit cards – Switch, Solo, Connect and Visa Debit

We may keep certain documents, such as your insurance Policy or Certificate, whilst we are waiting for full payment of premiums. In these circumstances, we will ensure that you receive full details of your insurance cover and will provide you with any documents that you are required to have by law. **Where we have not received the required payment or credit agreement and deposit from you, we are under no obligation to pay the premium to insurers by their required payment date on your behalf. Please note that where insurers have specified that the premium must be received by a certain date, failure to comply can result in the automatic cancellation of your insurance contract.**

Credit Facilities

In order to be able to offer you credit facilities, we are registered under the Consumer Credit Act and our Licence Number is 060521. You may be able to spread your payments through competitive facilities we have arranged with either third party finance providers or insurers' instalment scheme.

Taking Care with Your Premiums

Farleys Insurance operate the appropriate non-statutory banking arrangements specifically for the purpose of holding client premiums as required under Financial Services Authority regulation. With most Insurers we deal with, we have contracts which allow us to act as their agents and collect premiums on their behalf. Where this is not the case, and with your consent by means of the terms of this agreement, your monies will be held on trust by us in a segregated Client Money Bank Account. This will be for the short period of time prior to onward payment to Insurers or other Authorised Intermediaries. Operation of this trust is governed by FSA rules, with the aim of protecting you in the event of the failure of **Farleys Insurance**. In such a circumstance, our general creditors would not be able to make a claim on your money as it will not form part of this firm's property. Under the terms of the trust, we may extend credit to other customers by using client money from the Client Money Bank Account. We do not use your money for any speculative investments. Any interest we do earn for the short periods of time that we hold client monies, however, will be retained by us for our own use, rather than paid to you.

Charges and Fees

As independent Insurance Brokers, we are paid commission by your insurance company. This will normally cover our administration costs in handling your insurances, but there are certain specific instances where we will make a modest additional charge in order to meet our expenses as follows:-

<i>Mid term adjustments producing an additional premium</i>	-	£10.00 on endorsement premiums of under £50
<i>Replacement/duplicate Certificates or Cover Notes</i>	-	£10.00 per request
<i>Cancellation of Cover, including within 14 days of Inception or Renewal under any Right of Cancellation if available in your Policy</i>	-	We will make a reasonable charge for the work we have in setting up your Policy which will be <i>at least</i> £10.00 . If cancellation is within the 14 day period after the start or renewal of your Policy, our charge will depend on the work done, but will be no more than 10% of the Annual Policy Premium quoted. You will be advised of the specific amount of any charge before you exercise your right of cancellation.

The amount and purpose of any charge will always be advised to you separately from your Insurance Premium

Return premiums

On a return premium, we repay commission on the amount to your insurer and this will be deducted from the final amount due to you. In view of the costs involved, we will not issue any return premium that is less than **£10.00** (after deducting reclaimed commission). An amount less than **£10.00** will be held to your credit and can be utilised against any future insurance policy with us.

If a policy is cancelled, we will refund any return premium due (after deduction of the commission and **£10.00** charge).

Taxes

It is possible that other taxes or costs (in addition to Insurance Premium Tax), may exist in relation to the products and services offered by us, which are not through, nor imposed, by us.

RENEWAL OF YOUR POLICY

In good time before the renewal of your Policy, we will contact you with the renewal premium and terms we are personally recommending for the forthcoming year. If your circumstances, risk or cover requirements differ from the information provided, please advise us as soon as possible before your renewal date.

Our Renewal Recommendation

We have trained staff who will look carefully at your existing Policy and check whether it remains competitive against the market at each renewal. For our Household and Private Motor clients, this will include a formal price check against all other available products as a matter of routine. However, our experience tells us that loyalty to your existing Insurer can be to your benefit in the event of a claim. Unless we receive your advices to the contrary, therefore, we will only recommend that you change to a new Insurer, if the premium saving available is more than 7.5%.

Renewal of Policies Paid by Direct Debit Instalments

If you have not contacted us before the renewal date, we shall renew the Policy automatically on your behalf if you are paying your premium by Direct Debit Instalments. ***If you do not wish to renew the Policy, please let us know as soon as possible.*** Failure to do so will mean that you will be liable for the premium for cover beyond renewal. We would also advise you to cancel your Direct Debiting instructions with your bank prior to renewal date if you do not wish to continue.

If it is your intention to renew the policy, no action is required by you and the policy will renew automatically.

CUSTOMER PROTECTION INFORMATION

We hope that you will be very happy with the service we provide. However, if there is a time when we do not meet your standards, please contact us, either by telephone or in writing. We will take details of your concerns and if the complaint relates to our service, we will then acknowledge this in writing, advising you of who is dealing with the matter and attempt to address this within 5 working days. If our investigations take longer, we will provide a full response within 20 working days, or explain our position and provide timescales for a full response. If you remain dissatisfied, please ask to speak to Stephen Howard, the Managing Director of our business.

If we find that your complaint is valid, we will agree with you a mutually acceptable form of redress.

If any complaint cannot be satisfactorily concluded, and you are either a "Retail Customer", as defined by the FSA, or a "Commercial Customer" with a group annual turnover of less than £1M, you have the right to refer your complaint to:

The Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR
Tel No: 0845 080 1800
Fax No: 020 7964 1001

E-mail: enquiries@financial-ombudsman.org.uk

We will advise other Customers of any Dispute Resolution facilities available at the time of the complaint

IF YOUR COMPLAINT RELATES TO A CONTRACT OF INSURANCE, a more formalised complaint procedure is detailed in your Policy document (a copy of which is available on request).

NB: This complaints notification procedure does not affect your right to take legal action

Peace of Mind

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our obligations, depending on the type of insurance and circumstances of any claim.

Insurance advising and arranging are covered for 100% of the first £2,000, and 90% of the remainder of any claim, without any upper limit. The exception to this occurs where a class of Insurance is compulsory (e.g. Under the Road Traffic Act), where cover under the FSCS is for 100% of the claim without any upper limit.

Full details and further information on the scheme are available from the FSCS.

CLAIMS

Acting in Your Best Interests

Insurers require prompt notification if any incident occurs which may give rise to a claim under your policy. If you contact Farleys **Insurance** regarding your claim, we will advise you on the Insurer's notification requirements, and, if it is permitted and to your benefit, we will inform the insurer on your behalf.

We will then act in your best interests at all times in order to ensure that the Insurer of your Policy responds speedily in the correct manner to your loss.

We will forward any payments received from insurers in respect of any claim, to you, without delay. In the unlikely event that the Insurer has made the payment to the benefit of **Farleys Insurance**, this will either be returned to the Insurer or held in trust as Client Money on your behalf (see "Taking Care with your Money" above)

CONFIDENTIALITY AND DATA PROTECTION

We collect relevant information in order that we can provide you with the products or services requested. With your consent we may collect data from Institutions with whom you currently have contracts and insurance policies, from your employer and professional advisors. You may be asked to provide evidence of your identity at the commencement of our relationship for the purpose of forestalling or preventing money laundering, in accordance with regulation.

All personal and sensitive information we collect is treated as Private and Confidential and is kept secure.

With your consent, and under the terms of this Agreement, we will only use and disclose the information we have about private individuals in the normal course of arranging and administering/processing your insurances. This will include access by the FSA and FOS as necessary. We will not disclose information to other parties for any other purpose (other than as mentioned below) without your express consent. Unless we are notified of any changes, we shall assume the personal and sensitive data we hold about you is correct, and shall use it to provide quotations when policies fall due for renewal.

We may pass information about you to credit reference or debt collection agencies for the purposes of arranging payments, and may also pass to them details of your payment record with us.

You have a right upon payment of a fee to obtain a copy of the personal data that we hold. If you believe that any information is incorrect or incomplete, you should contact us so that we can correct matters.

Use for marketing purposes

We may use information held about you, to provide you information about other products and services which we offer, and which we feel may be appropriate to you, by email, telephone, post or other means. You may exercise your right to give notice to stop data being processed for marketing purposes by contacting us at any time. Please call us on 01274 725526 or write to us at the address on this Agreement.

And Finally...

CONFLICTS OF INTEREST

Farleys Insurance have not, do not and will not place your business with a particular Insurance Supplier solely in order to qualify for additional remuneration from that supplier. We will always put your interests first in arranging your Insurances. In the event of any potential conflict of interest occurring, we undertake to inform you of the nature of the conflict, and the options available to you.