

### Terms of Business Agreement (“TOBA”)

#### Introduction

- Please read this document carefully.
- This TOBA sets out the terms on which Rowlands & Hames Insurance Brokers Limited agrees to act for you.
- Rowlands & Hames Insurance Brokers Limited is an Insurance Broker.
- Within this TOBA a reference to
  - “We”, “Us”, “Our” and “Rowlands & Hames” means Rowlands & Hames Insurance Brokers Limited.
  - “You” or “Your” means you and/or your appointed agent(s).
  - “Consumer” means an individual who enters into the contract wholly or mainly for purposes unrelated to any business, trade or profession.

#### Accepting our TOBA

- We particularly draw your attention to the sections headed:
  - ‘Limitation of Liability’
  - ‘Complaints & Compensation’.
  - ‘Data Protection’
  - ‘Handling Money’
  - ‘Credit Searches’
  - ‘Your Responsibilities, Your Obligations when arranging cover, Your Duty of Disclosure, Material Facts, Fair Presentation & Reasonable Search, Sums Insured and Estimates’
- For your own benefit and protection, you should read these terms carefully. If you are unsure about any aspect of our TOBA or have any questions regarding our relationship with you, please contact us at the address given above.
- By asking us to quote for, arrange, renew or handle your insurances and handle your claims, you are providing your informed agreement to this TOBA.
- This TOBA comes into operation on the day it is issued to you and remains valid until replaced by us with a later version.

#### The Financial Conduct Authority

- Rowlands & Hames Insurance Brokers Limited is authorised and regulated by the Financial Conduct Authority (FCA). Our FCA Financial Services Register number is 148191.
- The FCA has authorised us to advise, arrange, deal in and assist with the placing and administration of all types of general insurance policies. However, we do not offer advice on pure protection policies such as, but not limited to: term assurance, private medical insurance, permanent health insurance, key-person insurance or shareholder protection. We are also authorised to undertake certain consumer credit activities.
- You may check the FCA’s Financial Services Register by visiting the FCA’s website at <http://www.fca.org.uk/register> or by contacting the FCA on 0800 111 6768.

#### Limitation of Liability

- We will exercise reasonable skill and care in the performance of all our services for clients, but we cannot be held responsible for advice, recommendations or actions that are based upon incorrect or inadequate disclosure of material information by clients or their agents. The liability of Rowlands & Hames, howsoever arising, shall not exceed in the aggregate the sum of £10,000,000. These limitations of liability shall not apply to liability for personal injury or death caused by our negligence, for fraud or fraudulent misrepresentation, or in circumstances which cannot be excluded by law.

#### Sourcing your insurance cover and our Services

- We provide access to a wide range of general insurance products, services and advice to commercial clients and consumers.
- For most policy types we will carry out a ‘fair and personal analysis’ of the market in order to identify a suitable product. This means that we have compared products from a sufficiently large range of insurance providers in terms of cover, price, quality of service and other relevant features in order to select appropriate policies for you.
- In certain circumstances however, our search for a product may involve a limited number of insurers due to the nature of the product type. We would be happy to discuss with you the scope and outcome of our search. You can ask us, at any time, for a list of the insurers we have approached.
- In very limited circumstances, we may only offer cover from a single specialised insurer.
- There may be occasions where due to particular circumstances we will use another specialist intermediary to access particular insurers.
- Our role is to advise you and, after we have assessed your needs, to make a suitable recommendation. In situations where we are able to arrange insurance for you but do not offer advice, we shall confirm the position to you in writing. We will not provide further advice or recommendations following the arrangement of insurance cover, unless you notify us of a material change of circumstances or formally request that we review your insurance arrangements. At renewal, unless we present you with a quote for cover with an alternative insurer, we will not offer advice or make recommendations (unless you request this during the renewal process).
- We will explain the main features of products and services that are available including all-important details of cover and benefits together with significant exclusions, conditions and other obligations.
- We undertake to keep our clients fully informed of any material changes in their insurance covers. Similarly, we ensure that all relevant information is passed to insurers as soon as we are notified.

#### The capacity in which we act for you

- In sourcing a suitable policy, placing and administering the insurance, and in the event of a claim, we act on your behalf and not as agent of the insurer.

## Insurer Security

- We check the financial strength ratings provided by specialist agencies for each participating insurer and, based on these, we may seek your specific approval of some proposed security.
- We will not in any circumstances act as an insurer nor guarantee or warrant the solvency of any insurer or placing agent we use.
- You should note if an insurer who has granted risk-transfer to Rowlands & Hames becomes insolvent, any related premiums we hold for that insurer are deemed to have been paid to them and will not be returnable to you.
- We do not accept any liability for any unpaid amounts in respect of claims or return of premiums due to you from a participating insurer who becomes insolvent or delays settlement.

## Your Responsibilities, Your Obligations when arranging cover, Your Duty of Disclosure, Material Facts, Fair Presentation & Reasonable Search, Sums Insured and Estimates

- The law (The Insurance Act 2015 and the Consumer Insurance (Disclosure and Representations) Act 2012) imposes onerous duties upon anyone entering into an insurance contract and anyone acting on their behalf.
- If you are a commercial customer you have a duty to make a Fair Presentation of the risk in a clear and accessible manner or provide sufficient information to alert insurers of the need to make enquiries about such circumstances, and proactively disclose all material facts or circumstances that may influence the underwriter in deciding whether to accept the insurance, impose special terms, or charge an increased premium. Such facts or circumstances could include but are not limited to trade processes, activities, previous claims, directors' business histories, convictions, county court judgements, bankruptcies, and involvement in companies subject to administration or liquidations relating to the business, you or any partner or director. This duty arises not only at inception of the contract, but also at renewal and throughout the life of the policy. Similarly the duty also applies to the submission and substantiation of all claims. Please refer to the Guidance Document attached headed 'Your Obligations when arranging insurance cover'
- Alternatively if you are a consumer i.e. an individual who enters into a contract wholly or mainly for purposes unrelated to your trade, business or profession, your duty to disclose all material information to the insurer is replaced with a duty to answer all questions in relation to any proposal for insurance cover honestly and to the best of your knowledge, providing complete and accurate information which insurers will require, taking reasonable care not to make misrepresentations to the insurer. This also applies to your responses in relation to any assumptions you may agree to in the process of applying for insurance cover. This is particularly important before taking out a policy but also at renewal or if you make a mid term amendment to your policy. If you fail to disclose information, or misrepresent any fact, which may influence the insurer's decision to accept the risk or the terms offered, this could invalidate the policy and mean that claims may not be paid. Please refer to the Guidance Document attached headed 'Your Obligations when arranging insurance cover'
- Such information must always be disclosed to insurers. A proposal, statement of fact or claim form, or any other document relating to the contract of insurance must be answered fully and accurately and you should check all details and pay particular attention to any declaration you may be asked to sign. The provision and documentation of this information is the sole responsibility of the Insured,

as failure to disclose such information, or misrepresentation of any fact, may invalidate your insurance policy and could mean that part or all of a claim may not be met.

- It is important that if you are unsure whether information should be disclosed or if you have any other query regarding your duties you should disclose this to either Rowlands & Hames or insurers. You should inform us immediately of any changes in circumstances that may affect the services provided by us or the cover provided by your policy. If you are unsure about any matter, please contact us for guidance.
- In the event that another person, including an employee of Rowlands & Hames, fully or partially completes a proposal form or declaration on your behalf, all responsibility for any errors or omissions rests entirely with you. If any of the statements in a proposal form or declaration are not in your own handwriting, it will be deemed that you gave authority for these statements to be written on your behalf and that you checked the statements carefully.
- The setting of adequate sums insured (including the implications of Value Added Tax), Indemnity Periods, Limits of Indemnity and other estimates is the your responsibility and Rowlands & Hames do not accept any liability whatsoever for under-insurance or other omissions. We recommend that you seek professional guidance from surveyors/suppliers in respect of rebuilding costs and supply of plant and equipment etc.
- Any change to legal entities must be disclosed as this will invalidate any current policies and will require cancellation and reissue of policies, subject to re-broking and re-underwriting.
- You must inform us immediately of any changes in circumstance, which may affect the services provided by us or the cover provided by your policy.

## Credit Searches

- We and other firms involved in arranging your insurance (insurers, other intermediaries or premium finance companies) may occasionally or automatically use public and personal data from a variety of sources including credit reference agencies and other organisations. The information is used as part of the underwriting procedure to help tailor a price or terms, to ascertain the most appropriate payment options for you and to help prevent fraud. Checks may be made against the company and/or individuals, partners or directors.
- Premium finance providers may at their sole discretion perform assessment and underwriting of any potential premium finance application.
- Credit searches may appear on your credit file.

## Policy Wordings/Conditions/Warranties

- It is important that you read all insurance and any associated documents issued to you and ensure that you are fully aware of the cover, limits and other terms that apply. If you require additional copies of policy documentation please contact us.
- Particular attention must be paid to any conditions, clauses and warranties (whether express or implied) contained within the insurance policy we have arranged. Failure to comply may result in the insurer automatically terminating or suspending your policy. Further, where the insurance has been placed with conditions, it may be invalidated or coverage prejudiced whilst the condition is outstanding.

## Documentation & Communication

- We will confirm details of all covers arranged, in writing, including the identity of the Insurer. Our aim is to provide all correspondence in a simple and understandable format. In the event of any remaining areas of uncertainty, please contact us. Our staff are always willing to clarify the cover provided.
- We recommend that clients retain all paperwork relevant to their insurances, as this may be useful for future reference. Such documentation may enable claims to be checked against cover provided, enabling settlement as soon as possible. Employers' Liability certificates should be retained for no less than 40 years under the Employers' Liability (Compulsory Insurance) Regulations 1998.
- Unless you specifically request otherwise, we may email policy and other documentation electronically in the 'pdf' (portable document) format.
- The use of email as a means of communication is acceptable to us. There are however certain concerns we have with this medium including confidentiality and integrity of information; delay of receipt and the transmission of harmful viruses, worms and trojans etc. It is recommended that you telephone us to alert of important/urgent emails.
- Due to potential delays, we are unable to communicate or accept instruction from you by means of voicemails, text message or other web based media messaging services.
- We cannot act upon instructions out of standard business hours as we may be unable to advise the insurer.
- Any requests to incept insurance cover or for policies to be amended or cancelled will NOT take effect until we have confirmed in writing. Material changes disclosed to us will not be deemed declared to insurers until we confirm in writing.

## Remuneration

- We receive remuneration for our services from insurers or product providers by receiving brokerage (commission) and/or professional broking fees agreed with you.
- We may also charge the following additional administration fees for handling mid-term adjustments :

Policy endorsements	£75
Duplicate documents	£25
Cancellation	£150
- If you wish us to carry-out any task beyond the services you initially require, these will be subject to an additional fee and/or brokerage. We will not impose any fees or additional charges on you without prior notification or discussion.
- Our remuneration is fully earned when the insurance is placed/incepts or renews - any commission 'claw back' imposed by insurers or product providers following a mid-term alterations, year-end declaration, or other adjustment will be charged as a fee and shown in any invoice/credit-note thereby reducing any return premiums. Where we place multi-year policies, we will be entitled to retain all commission upon placement even if such policies are cancelled. We also draw your attention to the sections headed 'Cancellation of Insurances' and 'Ending your relationship with us'.
- Where we agree to work on a 'net of commission' basis in return for a professional fee arrangement, we will quote the 'net' figure as being the gross premium less any

commission we would normally have retained ourselves. All fees are agreed before becoming payable.

- Occasionally insurers and other providers may wish to reflect the size and profitability of our account with them by way of underwriting profit shares, volume over-riders, introduction fees or premium finance earnings. At the request of a commercial client, we will be pleased to provide information about any remuneration, which we may have received as a result of placing your insurance business.
- We reserve the right to charge for commercial/business credit card processing at a rate of 2.2% of the amount debited.

## Payment & Credit Period

- You will receive a quotation, which will tell you the total price to be paid, showing any professional / administration / insurer fees and taxes applicable, separately from the premium, before your insurance arrangements are concluded.
- Some underwriters demand payment prior to inception and/or renewal; others require that the premium be paid within certain strict guidelines. This is a condition of the policy and must be complied with, as failure to meet payment deadlines can lead to a policy being cancelled and render the contract voidable from inception.
- Our normal terms of credit for commercial clients is 14 days from invoice date, unless otherwise stated. Premiums for Consumers are due on invoice unless otherwise agreed.
- Where there are a number of transactions, in addition to individual invoices, it is our practice to issue a Statement of Account. In the event of any query, please notify us as soon as possible to allow the matter to be resolved. All balances must be settled within the terms of credit.
- Credit notes are issued for any net amount due to you and settlement will be made by cheque/BACS. We are only in a position to return any credit amounts to you once we have received the funds from the insurer/supplier.
- Where a credit of below £25 remains on your account, unless you specifically request its return, we reserve the right to retain this, to your credit, on your account for economic reasons for it to be set against any future debits.
- Clients may be offered the opportunity to pay premiums via instalments by direct debit. Instalment arrangements may be direct with the appropriate insurer whereas others may be provided by independent third party premium finance providers. All premiums notified as part of an instalment plan must be completed under the terms of the credit contract. Any failure to meet the financial requirements may prejudice the contract and render it voidable together with any effected insurance policies.

## Handling Money

- Our financial arrangements with most insurers are on a 'Risk Transfer' basis. This means that we act as agents of the insurer in collecting premiums and handling refunds due to clients. In these circumstances such monies are deemed to be held by the insurer(s) with which your insurance is arranged. These funds may be co-mingled with other funds held in our Non-Statutory Trust client account.
- If Risk Transfer does not apply we will hold client monies in a Non-Statutory Trust account pending payment.

- The establishment of the Non-Statutory Trust account follows the rules that the FCA (and FSA beforehand) introduced to protect money held by authorised intermediaries. However, you should be aware that, under the Non-Statutory Trust account rules, we are permitted to use such monies temporarily held to advance credit to clients generally. A copy of the Deed of Trust is available on request or may be inspected at our premises during normal office hours. If you object to your money being held in a Non-Statutory Trust account you should advise us immediately. Otherwise, your agreement to pay the premium together with your acceptance of this TOBA will constitute your informed consent to our holding your money in a Non-Statutory Trust account. We will retain interest earned on monies held in such a Non-Statutory Trust account.
- For the purpose of some transactions, client money may pass through other authorised intermediaries before being paid to the insurer.

### Claims

- We will employ due care and skill if we act on your behalf in respect of a claim.
- To assist us in the handling of any claim and to comply with policy terms, it is vital that you notify us promptly when an incident or circumstance, which may give rise to a claim, occurs, and provide all information, claims forms and estimates as quickly as possible. You should take note of the required procedures in the event of a claim, which will be stated in the policy documentation. Generally, insurers require immediate notification of a claim or circumstance that may lead to a claim. Delays may prejudice negotiations and entitle the insurer to repudiate the claim. Notification to us does not mean that you have fulfilled your obligation to report the claim to insurers in itself. Rowlands & Hames is not liable for any such delays.
- You should not admit liability nor agree any course of action, other than emergency measures to mitigate your loss, until you have agreement from the insurer.
- For certain forms of product such as motor insurance, we may outsource the handling and management of claims where we feel this is advantageous from a service and specialisation aspect.
- Claims handling will normally be carried out without charge. In exceptional circumstances where additional services are required we reserve the right to charge an additional fee for these services. Any fee chargeable will be agreed with you.

### Instructions to Effect Insurance

- Any instruction to arrange cover, either written or verbal, forms a legally binding contract with both insurers and Rowlands & Hames Insurance Brokers Ltd. Cover is not effective unless and until confirmed in writing by Rowlands & Hames.
- We specifically draw your attention to the Cancellation of Insurances section below. This entitles us to retain and pursue/deduct any earnings which we consider reasonable to cover our costs should the policy subsequently be cancelled whether from inception or mid-term. This may be the total potential earnings from the first period of insurance.

### Prior Insurance Contracts

- In circumstances where you appoint us to act as your insurance intermediary and administer policies previously arranged by another intermediary:

- we will not be liable for any loss resulting from the advice or possible negligence of a previous intermediary howsoever caused
- we will not accept any responsibility for any deficiencies in the current insurance programme until we have had a reasonable opportunity to undertake a review, you are in receipt of our recommendations and the appropriate changes have been made.
- we will not review any of your previous insurance contracts other than contracts currently in force at the time of appointment.
- we will not handle any claims intimated before our appointment, unless we agree to do so.

### Motor Insurance Database

- For clients subject to the requirements of the Motor Insurance Database (MID) additional Terms & Conditions apply, a copy of which will be provided.

### Cancellation of Insurances

- You should make any request for the cancellation of a policy in writing and any relevant certificate of insurance must be returned to us or the insurer concerned.
- In the event of cancellation, charges for our services will apply as detailed in the 'Remuneration' section. The terms of your policy will usually allow an insurer to retain the premium in full or to charge short-period premiums in the event of cancellation before the policy expires, particularly if a claim has occurred during the period concerned.
- Consumers may be entitled to cancel an insurance policy within 14 days of purchasing cover or receipt of the policy documentation whichever is the later. Please refer to the Insurer's Policy Summary. The insurer however is entitled to charge a reasonable time-on-risk charge. We will refund any fees charged or commission earned over and above what we would consider to be reasonable to cover the costs involved in originally placing the insurance. In some cases (e.g. policies of less than 30 days) there is no cancellation option.
- Any commission 'claw back' imposed by insurers or product providers following a cancellation will be charged as a separate fee incorporated in an invoice/credit-note thereby reducing any net return premium.

### Termination of our Services

- Whilst our wish is to retain the business and goodwill of our clients, you may terminate the Services by giving notice in writing. Similarly, we may also terminate these Services that we provide to you by giving notice in writing. Where notice of termination is given, such termination will take effect from the date specified in such notice.
- With effect from the date of termination, we shall have no further obligation to perform any of the Services and all sums payable by you shall become due and payable. You will be liable to pay for any transactions concluded prior to the end of our relationship and we will be entitled to retain commission received for conducting these transactions, together with any fees charged by us for services provided. We may consider continuing to service claims on insurance contracts we have placed for you at your request, but only if we are able to do so and can agree with you an appropriate remuneration.

### Complaints and Compensation

- There may be occasions when you feel we do not meet our usual service standards. If you have any concern about any aspect of our service, please contact a Director or by email to [andy@rowlands-hames.co.uk](mailto:andy@rowlands-hames.co.uk). In dealing with your complaint, we will follow our Complaint Handling

Procedures; a summary of these procedures is available on request. If you are still not satisfied, you may be entitled to refer the matter to the Financial Ombudsman Service (FOS) who can be contacted on 0800 0234567 or via their website at <http://www.financial-ombudsman.org.uk/>

- You agree that your remedies in relation to the provision of professional services by us, arising out of or in connection with this engagement, lie exclusively against us and that you will not make any claim or bring any legal proceedings against any employee, director, or consultant. You understand and agree that the provisions of this clause may be enforced by any employee, director, consultant or other individual connected with us in accordance with the Contract (Rights of Third Parties) Act 1999.
- 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. This depends on the type of business and the circumstances of the claim. Further information about compensation scheme arrangements is available from the FSCS on 800 678 1100 via their website at [www.fscs.org.uk](http://www.fscs.org.uk).

#### Data Protection

- *We take the security and privacy of your data seriously. We need to gather and use information or data about you as part of our business and to manage our relationship with you. We comply with our legal obligations under the **Data Protection Acts 1998** (and subsequent legislation) and the **EU's General Data Protection Regulation ('GDPR')** in respect of data privacy and security.*
- *For full details, please refer to our Privacy Notice - We have a duty to notify you of the information contained in this privacy notice.*
- *The Company is committed to respecting and protecting your privacy. The Company is the data controller of any personal information you provide to us. This means that we are responsible for complying with data protection laws. This means that we determine the purpose and means of the processing of your data. Our privacy notice explains how we will collect, store and use any personal data you provide to us. This notice applies to prospective, current and former clients.*
- *We may disclose your personal information to third parties for the purposes described in our privacy notice to carry out our obligations outlined within this TOBA with you or for our legitimate interests.*
- *You can contact our Data Protection Officer (Andrew Farnworth) in writing for details of specific disclosures made in respect of your personal information. Third parties will only use your personal information under our strict instruction and are under an obligation to ensure appropriate security measures are in place.*
- *We require those companies to keep your personal data confidential and secure and to protect it in accordance with the law and our policies. They are only permitted to process your data for the lawful purpose for which it has been shared and in accordance with our instructions.*
- Our Privacy Notice is available at [www.rowlands-hames.co.uk/privacy](http://www.rowlands-hames.co.uk/privacy)

#### Recording of Telephone Calls

- For our joint protection and training purposes, telephone calls may be recorded and/or monitored.

#### Intellectual Property

- All broking reports, marketing presentations and other material information remain the intellectual property of Rowlands & Hames and must not be disclosed to any other insurance intermediary without our prior permission.
- We shall retain all title, copyright, patents and other intellectual property rights to all methodologies and documents used in our provision of the services to you.

#### Financial Crime Prevention / Money Laundering

- We are obliged to take reasonable steps to safeguard our company, our clients and the industry against the risk of financial crime. We may ask you to provide us with additional information relating to any transaction you ask us to undertake on your behalf.
- We are obliged by UK Money Laundering regulations to undertake customer due diligence measures to verify the identity of clients, and to seek further information from you if you request us to make any payments to a third party.

#### Conflict of Interests

- Occasions can arise where we, our clients or product/service providers may have a potential conflict of interest with business being transacted for you. If this happens, and we become aware that a potential conflict exists, we will manage this in line with our Conflicts of Interest Policy to ensure fair treatment. A copy of the policy is available upon request.

#### Language

- Unless otherwise agreed with you in writing, all evidence of cover and other documentation provided to you, and any discussion with you, will be in English. Unless we have agreed otherwise with you, please ensure that any documentation /or instructions that you provide to us are always in English.

#### Governing Law & Jurisdiction

- This TOBA, any associated letter/correspondence and our business relationship with you are governed by English Law and are subject to the exclusive jurisdiction of the courts of England.

**Rowlands & Hames Insurance Brokers Limited**  
**Registered in England & Wales number 2195983**

**Registered Address:**  
**Chiltern House, Bristol Avenue, Bispham,**  
**Blackpool, Lancashire FY2 0FP**

**Authorised and Regulated by the Financial Conduct Authority**