

COMMERCIAL CUSTOMER STATUS DISCLOSURE AND TERMS OF BUSINESS AGREEMENT

This document outlines Johnstone Insurance Brokers Ltd Status Disclosure and Terms of Business. Unless you advise us to the contrary, we will assume you wish to be bound by the terms of this agreement.

What is the Financial Conduct Authority (FCA)

The FCA is the independent watchdog that regulates financial services. It requires us to give you this document. Use this information to decide if our services are right for you. Johnstone Insurance Brokers Ltd, at the above address, is authorised and regulated by the Financial Conduct Authority. Our FCA registration number is 452604. Our permitted business is arranging general insurance contracts. JIB Ltd is also authorised and regulated by the Financial Conduct Authority to operate as a credit broker. JIB Ltd does not charge any fees to customers in relation to credit broking activities. **You can check this on the FCA Register by visiting the FCA website www.fca.org.uk/register or by contacting the FCA on 0800 111 6768.**

Whose products do we offer?

It is our policy to provide advice or information on general insurance products that are available after having undertaken either a fair analysis of the market, a review of a limited number of insurers, or terms provided by a single insurer. When a recommendation is for a product that has not been selected on the basis of a fair market analysis, we can, upon your request, provide you with a list of those insurers from whom we have made our selection. Where we have utilised the services of a wholesale broker or underwriting agent to place your insurance we will identify both the insurance company and the wholesale broker or underwriting agent.

For certain classes of business we have negotiated preferential terms and conditions with dedicated insurers and we may deal with them, or a single insurer, exclusively. When our recommendation is provided in these circumstances we shall advise you accordingly.

An Insurers' Policy Summary will be provided to you at inception of your policy and a specimen policy document is available upon request for all policies we recommend.

It is our intention to use only secure Insurers and we make investigations into the strengths of appropriate Insurance Companies. However, we cannot and do not guarantee the solvency or continued solvency of any Insurers used and clients should make their own investigations into the financial position of any Insurer with whom they enter a contract. We will where insurers are not rated by Ratings Agencies always draw your attention to this so that you can decide whether the insurer is appropriate for your needs or not.

What service will we provide you with?

We will advise and make a recommendation for you after we have assessed your needs and will provide you with a suitability statement, verbally if you request it or require immediate cover, and in writing immediately after the conclusion of your contract.

What will you pay for our services?

The following charges will be made :-

Document issue fee up to a maximum of £25.00

Dishonoured cheque or payment £25.00

All return premiums will be refunded net of our commission.

Please also note that on cancellation of a policy your insurer may not allow a proportionate refund, or your premium may be a minimum and deposit premium which would result in no premium being returned.

Information requests under the Data Protection Act £10.00

These charges will be in addition to any charges made by your insurers.

Unless advised otherwise we receive a commission from your insurers. You have the right at any time to request information regarding any commission, or the level of it, which we may have received as a result of placing your insurance business.

Should it be necessary for other service charges to be made by us these will be notified to you in advance.

Please also note that on cancellation of a policy your insurer may not allow a proportionate refund, or your premium may be a minimum and deposit premium which would result in no premium being returned.

What is your Duty of Disclosure to Insurers?

For covers inception, renewed or added mid-term on or after 12 August 2016.

Your insurance is based upon the information provided to the insurance company.

Unless you are a Consumer (an individual buying insurance wholly or mainly for purposes unrelated to their trade, business or profession) you must present the risk (i.e. the subject matter of the proposed

insurance) fairly. This means that you must disclose to insurers, before the setting up or renewal of your insurance policy is concluded, anything that might influence the judgement of an insurer in fixing the premium, setting the terms or determining whether they would take the risk. If you are uncertain whether anything is material, you should disclose it.

In order to identify what must be disclosed, ie, anything you know or ought to know, you are obliged to carry out a reasonable search before presenting the risk to insurers. This includes (but is not limited to) consulting with all senior managers. A senior manager is anyone who plays a significant role in the making of decisions about how your activities are to be managed or organised, regardless of whether or not that individual is a member of your board or is formally in a management role. You must also consult with anyone who has particular knowledge about the risk to be insured.

If you deliberately or recklessly (i.e. without care) fail to comply with your obligations to present the risk fairly, insurers may avoid the policy. This means they can retain all premiums and treat the policy as if it never existed and refuse to make any claims payments. You could also be obliged to repay any claims payments that had already been made. If you fail to present the risk fairly, but your failure was neither deliberate nor reckless, insurers response will depend upon what would have happened if you had complied with your obligations:

- a. if insurers would not have provided the policy, they may treat the policy as if it never existed, refuse to make any claims payments and demand the return of any claims payments already made. However, insurers would have to return any premium payments already made;
- b. if insurers would have provided the policy but on different terms, the policy will remain in force but will be treated as if those different terms applied from the start of the policy. This could result in a claim not being met in part or in full;
- c. if insurers would have provided the policy but charged a higher premium, insurers may reduce any payment in proportion to the difference between the premium charged and the premium that would have been charged if you had fairly presented the risk. This could result in a significant reduction to the amount of any payment under the policy.

All statements and facts disclosed on proposal forms, statement of facts, claim forms and other documents should be full, true and accurate and must be given after undertaking a reasonable search, including consulting with your senior management. Where forms are completed on your behalf you must check them for accuracy and completeness before signing them. You must always read the declaration and make sure you understand it before you sign

When do you need to pay your premiums?

Your premium is due for payment as soon as cover has been arranged for you. In the case of renewals, your premium is due for payment on or before the renewal date. If you fail to pay the premium by the renewal date then your policy will automatically be cancelled from that date. However, if your premium is paid by direct debit, renewal of your policy will be assumed unless you inform us that cover is no longer required. Direct Debit facilities may either be arranged with your insurer, or alternatively by means of a premium finance agreement through Premium Credit Ltd or similar premium finance organisations. In accordance with our standard practice, your premiums may be used to pay other clients premiums to insurers', as may their premiums be used to pay yours but only where the Insurer has agreed that premium collected by us will be treated as having been received by them.

Where this is not the case we will hold your money in a Statutory Trust Account for your benefit. It will remain protected until such time as the Insurer has confirmed receipt.

We reserve the right to retain interest earned on these accounts.

By accepting this Terms of Business Agreement, you are giving your consent for us to operate in this way.

Money Laundering and Proceeds of Crime Act

UK Money Laundering regulations may require us to obtain evidence of the identity of clients for whom we act at the start of the business relationship. Documentary evidence may be requested.

We are obliged to report to the Serious Organized Crime Agency any situation giving rise to a suspicion of money laundering. A formal report may be made in the following circumstances:

- § If there is suspicion relating to a client's identity
- § If a client makes substantial or unusual cash payments
- § Where the transaction does not appear to be rational in the context of the clients business or personal activities

We are prohibited from disclosing any report to our Client.

Confidentiality and Use of Personal Data

For full information in respect of your rights and our use of your data under General Data Protection Regulation please refer to our [privacy notice](#). A copy is available to view on our website and will be supplied to you on request either by email or by post at your convenience.

What are your cancellation rights?

There are usually no cancellation rights under a commercial policy. However, if your policy does include cancellation rights you will be informed at the quotation stage. If your policy does have cancellation rights, in the unlikely event of you not receiving the information regarding your policy, prior to you making a decision to buy it, you have a 14-day period, commencing from when you do receive your documentation, in which to cancel your cover (providing your policy is not less than one month in duration, or a commercial policy without cancellation rights). You must return all documentation within 30 days if you wish to use this cancellation clause, and your request must be in writing and dated. Your insurers will make a charge for the period you have been on cover, and we will charge a £25.00 administration fee in addition to any other charges. If you do not use this cancellation clause, your insurers will keep your premiums and you will be insured.

What should you do if you wish to make a claim?

We wish to ensure that any claim is dealt with promptly and efficiently. In the event of a possible claim, some insurers have a 24 hour Claims Helpline, details of which will be shown in your policy booklet and you should make contact with them as soon as possible. If you have been involved in a non-fault motor accident, and you opted to take out the Legal Expenses cover you should contact their help line on the phone number provided on their Policy Schedule. You may also contact our office at any time during business hours, even if you have used the insurers or the Legal Expenses helpline to report your claim, if you require any further advice or assistance.

What if you are not satisfied with our service?

Johnstone Insurance has a Consumer Charter that guarantees the Fair treatment of our customers. We aim to provide you with a high level of service at all times. If we fail, you may register a complaint by writing to the Directors, marked Private and Confidential, at the address at the top of this page. Alternatively you may telephone and register your complaint verbally by speaking to the Directors on 01724 872939. We will acknowledge your complaint promptly, explain how we will handle it, and keep you informed of the progress of your complaint. If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service.

What is the Consumer Charter?

1. The fair treatment of customers is central to our culture.
2. We market products and services to appropriate customer groups
3. We give customers clear information about the products they are buying and keep them appropriately informed at all times
4. When customers receive advice, it is suitable for their needs and takes account of their circumstances as advised to us
5. Products perform as we have led our customers to expect, and we will deliver the service we say we will
6. We will provide a professional ongoing service in order to achieve the best outcomes for our customers.

Are we covered by the Financial Services Compensation Scheme (FSCS)?

We 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 the circumstances of the claim. Insurance advising and arranging is covered for 90% of the claim, without an upper limit. For compulsory insurances such as motor insurance and employers' liability insurance, insurance advising and arranging is covered for 100% of the claim, without an upper limit. Further information about compensation scheme arrangements is available from the FSCS.

Liability

We acknowledge that we will be liable to you for loss, damage, costs and expenses ("Losses") caused by our negligence or the negligence

of any of our directors and employees subject to the following provisions of this clause.

We shall have no other liability of any nature, whether in contract, tort, or otherwise, for any losses whatsoever and howsoever caused, arising from or in any way connected with the services and/or advice provided by us or our engagement by you.

We shall not be liable in contract, tort (including negligence) or otherwise (i) for any increased costs or expenses, or (ii) for any loss of profit, business, business contracts, business revenues or anticipated savings, or (iii) for any special, indirect or consequential damage of any nature whatsoever.

We shall not be liable to the extent that losses are due to the provision of false, misleading, inaccurate, or incomplete information or documentation or your failure to inform us of any material information or if and to the extent losses are due to any act or omission of any person other than ourselves.

We shall not be liable to you or be deemed to be in breach of our contract with you by reason of any delay in performing, or any failure to perform, any of our obligations to you, if the delay or failure was due to any cause beyond our reasonable control.

Unless otherwise agreed by us with you in writing, our total liability to you (whether in contract, tort (including negligence) or otherwise) shall not exceed £5,000,000 in respect of any one Claim.

"Claim", for the purposes of this clause shall mean all claims and losses resulting from:

§ One and the same act error or omission; or

§ A series of acts errors or omissions arising out of or attributable to the same originating cause, source or event.

Nothing in these terms and conditions is intended nor shall operate to exclude or restrict any duty or liability to the client which we have under the regulatory system in or under the Financial Services and Markets Act 2000, or any liability arising from our fraud or dishonesty, any liability for death or personal injury caused by negligence or any other liability which by law cannot be excluded or restricted.

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