

## Carroll Insurance Group Limited

Registered in England Number: 2237756 Registered Office: 2 White Lion Court Cornhill London EC3V 3NP

### Terms of Business

Carroll Insurance Group Limited ("CARROLLS") is part of an independently owned insurance broking group and we are an accredited Lloyd's broker. We offer a range of insurance products and are committed to client service.

We have prepared this document to set out the terms on which we agree to act for you as our client as well as any limitations on our services. It replaces any previous agreement between us and it relates to all insurance services we might provide to you.

We understand that all insurance enquiries and orders you will submit to us are for your own benefit and not on behalf of another prospective policy holder. If you are a business acting on behalf of other entities, including group companies, you must inform us if your services are other than at cost and not for profit and with their full authority.

Please read these terms carefully as they set out the basis upon which we are providing the service to you including limitations on our liability.

Information about CARROLLS CARROLLS are registered in England under number 2237756 and we are Authorised and Regulated by the Financial Services Authority in the United Kingdom. Our status can be verified by visiting the FSA website at <http://www.fsa.gov.uk/register> or by contacting them by telephone on 0845-606-1234 (Overseas: +44 20 7066 1000) using reference 310328.

We provide insurance broking, administration services and advice ("Insurance Services"). Further information can be seen at our web site.

As independent insurance intermediaries, we act as your agent. We will keep you adequately informed about the nature of our services to you and we shall take reasonable steps to ensure that our communications with you are clear, fair and not misleading. We will only advise you after we have assessed your insurance requirements and, as such, it is very important that your circumstances and objectives are clearly identified to us. We will only place insurance for you when we have your instructions to do so and we may require these to be in writing (letter, fax or email).

#### Scope of Services

Following our discussions we shall provide the following services or those of them as may be applicable in each case:

- advising on the structure and scope of insurance programmes or coverage; advising on and, where appropriate, drafting insurance
- contract terms; advising on and/or selecting suitable insurers for your
- insurance requirements taking account of loss payment ability and security ratings;
- presenting proposals to prospective insurers and seeking and placing (co)insurance lines with them.

In each case we will make clear our understanding of the service you require at the time we issue any indication, quotation or confirmation of coverage. Please inform us promptly if we misunderstand your requirements at any stage.

We will normally be remunerated by commission paid by insurers who subscribe for your insurances. In such cases we retain our income from the respective premiums due to insurers and accordingly it is understood that you will pay to us and to no other all the premiums arising on contracts of insurance arranged under the engagement. However, for so long as you make payments in accordance with any instalment plan with the insurer or premium finance company, arranged with our knowledge, you are not required to pay the premiums to us. If we are to be remunerated by a fee this will be negotiated and agreed with you in each case.

We may receive and retain additional remuneration from insurers based on the profitability of the business we introduce to them.

**Estimates and quotations** Prior to handling any specific enquiry we indicate or quote rates or premiums that may be obtainable in respect of enquiries or orders you may send to us. These expressions are not based on any specific coverage being obtainable nor on any undertaking that we are able to arrange such cover in any particular instance. Any rates or terms of coverage indicated to you in such circumstances must not be considered as firm quotations and nor may coverage be assumed to be in force until the individual risk has been accepted by insurers and explicitly confirmed by us in writing to you.

#### Selection of insurers

Whilst we monitor the financial standing of insurers we do not guarantee their solvency.

At the time of quotation and confirmation of cover we will inform you which insurer(s) have provided terms and we will also state the basis on which we have selected them. In some cases we offer terms from a single or limited range of insurers either because we believe their terms are fully competitive or because such business may be uneconomic for us to handle in any other manner. Carroll Insurance Group Limited

In respect of certain classes of insurance, CARROLLS has the authority of Underwriters to accept proposals for insurance on their behalf from our Clients (binding authority). CARROLLS may provide a quotation from such a facility and in doing so will be acting as agent of the Underwriter alone. CARROLLS may accept or decline in any particular case. We may also be authorised by Underwriters to settle valid claims on their behalf, and as such we act as an agent of the Underwriter. As a result, there could be a conflict of interest in our relationship with you and so we need your informed consent to this arrangement in accordance with Financial Services Authority Rule 7.4.5. In such cases, the arrangement will be advised on our quotation, renewal invitation and on any evidence of coverage provided. Accordingly, your acceptance of any Quotation or renewal invitation will be deemed consent for us to act in this way.

Following receipt of your specific enquiries we will normally issue a quotation of terms and premium based on the information supplied to us. Such a quotation is not a confirmation that coverage is in place nor is it a promise that we will be able to complete your order, although usually we would expect to be able to do so.

You should only treat coverage and amendment requests or cancellations through this office as bound and in force when we have confirmed this to you.

**Your duty of disclosure** You and any agent acting on your behalf are required to act with the utmost good faith towards ourselves and insurers at all times. Before the contract is concluded, you must disclose to insurers, via ourselves, any and all information which is known to you, or ought to be known by you, which in the ordinary course of business is material to the risk. Material information is that which would influence the judgement of a prudent insurer in setting the premium and/or term of the policy.

The requirement to act in utmost good faith and make full disclosure continues during the policy period and at changes or extension to the policy, together with claims notifications. Breach of the duty may entitle the insurers to avoid the contract with effect from inception, or some other date. This could mean

the policy would no longer exist and no claims would be paid. Alternatively they may repudiate any liability for claims arising under the policy. The accuracy of any statements or information provided to insurers is your sole responsibility and we are entirely reliant on you to fully discharge it.

Documentation It is our intention to promptly provide you with written confirmation of the cover we have arranged. If you do not think the cover described in these documents fully meets your requirements, please inform us immediately. Otherwise we will assume that the documentation is in order.

You should be particularly attentive to anything described as a Warranty or Condition or a Subjectivity as any failure to comply with these may enable an insurer to terminate the cover immediately or from the beginning of the policy period.

For some types of insurance cover it is possible for claims to arise long after the policy has expired and it is therefore important that you retain your insurance documents safely. We reserve the right to destroy all records relating to your affairs as early as may be permitted by applicable regulatory or legal provisions.

We will endeavour to provide you with renewal terms, where appropriate, in writing in good time before the expiry of the insurances, or notify you that renewal is not being invited by your insurers. Similarly, mid-term changes to your policy will, where possible, be provided to you in good time before they take effect.

Cancellation of cover If you wish to cancel your policy or certificate you should advise us in writing and return the documents we request. The actual cancellation provisions that apply in each case will be contained in the policy wording and these may vary from policy to policy. Always refer to the policy wording for the exact cancellation provisions.

Direct debits/ standing orders should not be cancelled until cancellation has been agreed as otherwise monies may still be due. Under some contracts a proportional refund is not granted when insurance is cancelled mid term. When a claim has been submitted, it is possible no refund of premium will be allowed.

Payment of premiums (including our brokerage', fees and disbursements It is your responsibility to pay the premium for your insurances. We will advise you of the dates that we require to receive the premium, failing which you are to settle all invoices to us within 30 days of the date of our debit note.

Please be aware that in some cases no risk is assumed by insurers until and unless premiums are paid to them in full (e.g. terrorism risks and quotations subject to Premium Payment Warranties) and also that failure to pay the premium by the due date may result in the cancellation of an insurance contract, possibly back to its intended inception date. Where insurers have specified that the premium must be received by a certain date, failure to comply can result in automatic termination of your insurance contract.

Deductions are not to be made from settlements to you for claims, return premiums etc. unless we have confirmed to you in writing that insurers have agreed them. We reserve the right to defer settlement of any return premiums or other amounts until insurers have paid us.

Payment by cheque does not ensure value in our hands until sometime after receipt. Cheques sent to us must be honoured on first presentation. Unless specifically agreed CARROLLS Terms of Business Page 2 of 4

otherwise, we require non-sterling payments to be made by bank transfer direct to our bank account in the currency of the debit note.

#### Client money arrangements

As we hold client money we owe fiduciary duties to you until the funds reach the insurer. All monies received by us will be held in a non-statutory trust in accordance with the FSA rules, a copy of the rules is available from their web site as above. The aim of the non-statutory trust account is to protect clients in the event of the failure of the insurance intermediary, bank or other third party who may hold client money. In such Circumstances, the intermediary's general creditors should not be able to make a claim on client money as it will not form part of the intermediary's assets.

Any interest arising on client monies will be retained by us for our own use.

There may be occasion where the insurer has appointed us as their agent for the collection of premiums and, as such, when the premium is received by us it is deemed to have been received by the insurer. These premiums may still be deposited in the non-statutory trust account but, in the event of our failure to pay the insurer your cover will still be in force. We will notify you if this arrangement applies to your policy.

If you chose to pay by insurers' instalment scheme or by way of a loan from a premium finance company, you remain responsible to us as your agents, especially in respect of our commission.

Client money will be deposited, in most cases, with LloydsTSB Bank pic. This arrangement may change in the future, but any changes will be to an approved bank, selected in accordance with the FSA rules. On occasion

it may be necessary to hold client money with a bank which is not an approved bank under the FSA Rules and we endeavour to seek your confirmation to these arrangements beforehand.

**Payment to third parties** We may transfer client money to another person, such as another broker or settlement agent, for the purpose of effecting a transaction on your behalf through that person. This may include brokers and settlement agents outside the UK where the legal and regulatory regime may be different from here and, in the event of a failure of the broker or settlement agent, this money may be treated differently from that which would have applied in the UK. If we use another broker to arrange your insurance we will inform you at the time so you have an opportunity to notify us of any objection.

#### Taxation

Premiums charged will be subject to the taxes and rates applicable in each case, usually based in the territory of the insured risks. Our services will be supplied from the United Kingdom and any fees will be taxable accordingly. In general, according to our understanding of the law, our fees would not be subject to taxation for services supplied outside the European Economic Area. We do not provide tax advice services and so you must not rely on any expression of opinion from us as to the tax consequences of any transaction.

#### Claims services

In the normal course of our relationship we will present to insurers any claims notifications you make to us but please be aware that some policies contain a requirement that you notify the insurer directly or in a specified time or manner. Claims should always be notified by you, without delay.

If you ask us to do so we will seek to collect your claims and following receipt, remit them to you without charging any fees. This undertaking is dependant on the following exdusions, following any of which we reserve the right to charge additional fees or withhold a claims service:

- you do not continue our appointment as your broker for the insurance arrangement in question
- any amounts are unpaid more than 30 days after becoming due to us from you
- we have reasonable grounds to believe that full disclosure of any circumstance has not been made to insurers.

#### E-Mail

We believe it is efficient to communicate with you and others by e-mail but please bear in mind that such communications may not always be confidential and receipt may be delayed by message carriers outside your or our control.

#### Security of information

We will store and process personal data relating to you (and any of your management or employees who deal with us in respect of your insurance requirements) and we may share this data with other companies in the Carroll group for the purposes of policy or claims administration, business analysis and marketing. We are registered under the Data Protection Act 1998 and undertake to comply with the provisions of this Act in all our dealing with your personal data.

In the course of our business we receive, create and store documents and data which refer to the insurance affairs or risk profile of clients and prospective clients, both in paper and electronic form. We recognise our responsibility to protect this information and to disclose it only in the interests of our clients, within our company to those who require it for their work and otherwise in accordance with directions from duly authorised regulators or following due legal process.

#### Complaints

We take all complaints seriously. If you wish to register a complaint then please contact the Compliance Officer at CARROLLS, either in writing to 2 White Lion Court Cornhill London EC3V 3NP, by telephone to 020-7645-0406 or by email to [compliance@carrollinsurance.co.uk](mailto:compliance@carrollinsurance.co.uk). We will acknowledge your complaint within five working days. Page 30f4 CARROLLS Terms of Business

If we are unable to settle your complaint, you may be entitled to refer it to the Financial Ombudsman Service (UFOS") at South Quay Plaza, 183 Marsh Wall, London E14 9SR, by email to

enquiries@financial-ombudsman.org.uk or telephone 0845-0801800. You may contact the FOS at any stage during a complaint.

Nothing in the procedures described above amends or changes your rights at law.

**Compensation** We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the FSCS if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

Full details and further information on the scheme are available from the FSCS at [www.fscs.org.uk](http://www.fscs.org.uk).

**Money laundering and Proceeds of Crime Act UK** money laundering regulations require us, in certain circumstances, to obtain evidence of the identity of clients for whom we act. For individuals this might, for example, be evidenced by sight of a current signed passport and two utility bills, bank statements etc. For companies evidence of identity will usually comprise a copy of the certificate of incorporation, a list of directors, a list of shareholders and the registered address.

**Claims payment** will be made in favour of you. If you require a payment to be made to a third party then you must confirm the required payee name and details and provide a brief explanation for your request.  
**Motor Insurance** Your duty of disclosure extends to any endorsements or pending prosecutions.

Please note that insurers pass information to the Claims and Underwriting Exchange operated by Insurance Databases Limited and the Motor Insurance Anti-Fraud and Theft Register run by the Association of British Insurers (ABI). The aim is to check the information and also prevent fraudulent claims.

Motor insurance details are added to the Motor Insurance Database run by the Motor Insurer's Information Centre and may be used by the police or Motor Insurance Bureau to help identify uninsured drivers.

**Termination of our Services** Although it will be a disappointment to us, you may terminate our services by giving notice in writing. Similarly we may also terminate the service that we provide by giving you notice in writing. In the event that you terminate our services, other than at the expiry of a relevant policy, we will still be entitled to retain, or receive if not paid, any and all remuneration due in respect of any insurance policies placed by us on your behalf.

#### Governing Law

These terms of business and any accompanying or associated letter and our business relationship with you shall be governed by and construed solely in accordance with English Law and the High Court in London shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with them. Page 4 of 4 CARROLLS Terms of Business