

Terms of Business Agreement

JO PAVEY INSURANCE SERVICES
Victoria House, Victoria Street, Taunton. TA1 3FA.
Tel: 01823 252198

FCA Registration No. 498637
Consumer Credit Act Licence No 629797
Data Protection Act Registration No. Z1763447

The purpose of this agreement is to set out our professional relationship and detail the services we will provide to you. For your own benefit and protection, you should read all the information carefully and in particular, we would like to draw your attention to the "IMPORTANT INFORMATION" section. If you do not agree to anything contained in this agreement or you do not understand any of the terms applicable you should contact us immediately. We will assume that you accept the terms of this agreement unless we hear from you.

During the course of our engagement by you, we will take day-to-day instructions from you or any of your authorised representatives who are involved on your behalf in any of the business or services which relate to these terms.

The Regulator

The Financial Conduct Authority (FCA) is an independent watchdog that regulates financial services.

The FCA has authorised us to advise, arrange, deal in and assist with the placing and administration of all types of General Insurance policies. We are also authorised to undertake certain Consumer Credit activities.

Our FCA Register number is 498637 and you can check our status and permissions at <https://register.fca.org.uk/> or by contacting the FCA on 0800 111 6768.

Definitions

A Consumer means anyone acting outside their trade or profession. A Commercial Customer means a customer who is not a Consumer. Reference to 'you' or 'your' means you the customer of Jo Pavey Insurance Services (and / or your appointed representative and 'we' or 'us' or 'our' means Jo Pavey Insurance Services.

Confidentiality and Data Protection

We treat the privacy of our customers very seriously and we take appropriate security measures to safeguard your privacy. Information explaining how we protect and manage any personal data that you share with us and we hold about you as required by us to arrange and administer your insurance and fulfil our legal and statutory obligations can be found in our Privacy Notice.

Our Service

We can act both as agent of the insurer, and on behalf of you the customer. We have in place management controls to deal with any conflicts of interest that might arise. Unless we advise you otherwise, we are acting on your behalf.

We also act on behalf of insurers when collecting premiums under risk transfer (See "Money" Section).

We will ask questions to enable us to assess reasonably your insurance requirements, this may include checking information that we already hold about you and your existing insurance arrangements with us and other parties.

We will provide you with advice and guidance after assessing what you need and recommend a suitable policy based on our experience.

There may be occasions where we do not offer any advice as to the suitability of the contract for your needs and in these circumstances we will confirm this to you in writing.

Receipt of Instructions

We do not consider instructions to arrange or amend cover which are sent to us by post, electronic mail, facsimile, or left on voicemail, to have been received until they reach the relevant personnel in our offices. We do not consider instructions sent by text message to have been received until we have responded to the specific message.

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We do not accept responsibility for instructions which do not reach us at all due to failures in the postal, electronic or telecommunications systems.

You are not to rely on any insurance you have instructed us to place on cover until we have confirmed in writing to you that the insurer has agreed to such insurance cover being in place. Please note you must comply with the terms and conditions of the insurance policy you purchase including any matters where the insurer makes cover subject to your compliance with conditions or with express or implied warranties. Failure to comply may entitle the insurer to cancel your insurance contract and/or risks a claim you make not being paid in part or in full (Also see paragraph headed Claims).

Our Product Selection

We usually offer advice from a range of insurers, representing a fair analysis of the market, however, under certain circumstances we may only deal with a limited panel, or single insurer. We will confirm, for each individual policy we provide you with, the basis of our advice. In certain circumstances we will use the services of another intermediary to place your insurance and in these circumstances, we will state the name of the intermediary we use and the name of the risk carrier.

The service we will provide you with

We will advise and make a recommendation for you after we have assessed your demands and needs. Our advice will be confirmed in a demands & needs and suitability statement, giving reasons for our recommendation. In respect of Legal Expenses, Motor Breakdown and Loss Assist policies you will not receive advice or a recommendation from us and you will then need to make your own choice about how to proceed.

We will not provide any advice in relation to tax, accounting, regulatory or legal matters and you should take separate advice you consider necessary regarding these matters.

Our Remuneration

We usually receive a commission from the insurance provider with whom we place your business, and in such a case, the commission will be due to us either when we are in receipt of cleared funds from you (or the premium finance company, if one has been used) or, when the insurer has received cleared funds from us in respect of the premium due under your policy. The individual agreements we have with each insurance provider will determine which of the two methods above is used to make this transfer of commission.

Some insurers may make additional payments to us reflecting the size and / or profitability of our account with them and / or in respect of work we undertake on their behalf.

We also receive commission for arranging finance agreements for the payment of insurance premiums and this is usually expressed as a percentage of the individual loan and is paid to us directly by the premium finance provider. We may also receive a commission or fee for passing introductions to other professional firms with your agreement or at your instigation.

In addition, we normally make the following charges to cover the administration of your insurance:

Arranging new policies	£50
Mid-term adjustments	£50
Mid-term cancellations and other refunds are refunded NET of commission.	
We may, in addition, charge a £50 administration fee.	
Renewals	£50
Provision of replacement / duplicate certificates, cover notes or other documents	£50

From time to time where we receive commission at a level below that which we consider appropriate we may apply higher charges than those set out above. In such circumstances these charges will be advised to you prior to the commencement of each period of insurance applicable to that policy.

Occasionally we may arrange a policy on which we earn no commission (a 'net-premium policy') and in these cases we will advise you of the arrangement fee before you take the policy out. Specific charges, which apply to individual policies, will be advised to you prior to the

commencement of each period of insurance applicable to that policy. The specific charge will always be advised to you in advance.

Our remuneration in whatever form and in respect of any policy shall be due on the date of inception or renewal of that policy. We shall be entitled to retain all commission and/or agreed fees in respect of the full policy period including where you appoint another intermediary in our place during the currency of the policy or where a policy is cancelled after inception or renewal.

You are entitled to request at any time information about the commissions that we may have received in connection with your insurance. If you want this information, please contact us. We will make a charge to cover the administration cost of providing this information.

Email

Our preferred method of written correspondence and issue of documentation is by Email. If you would prefer to receive a copy by post, please contact us.

Country of Domicile other than the UK

The law or regulations in your country of domicile may take precedence over any relevant UK legislation. Therefore, references in this document to the FCA or Financial Ombudsman Service or Financial Services Compensation Scheme and any rights or benefits thereunder may not apply. If you wish to clarify your position in this respect, then we will discuss this on request.

Duty of disclosure

It is your responsibility to provide complete and accurate information to insurers and us and when you purchase an insurance policy and when you renew that policy. Failure on your part to immediately disclose information relevant to your insurance or any inaccuracies in the information given could result in your insurance cover being invalid or not fully operative.

All statements and material facts disclosed on proposal forms, statements of fact, claims forms and other documents should be full, true and accurate. Material facts are those that would influence an insurer in deciding whether or not to accept a risk and the terms and conditions that they would apply. Where forms are completed or partially completed on your behalf, you should check them for accuracy before signing. If you are in any doubt as to whether a fact is material, you should disclose it and then ask for guidance.

Your Right to Cancel (Applicable to Consumers only – As defined above)

You must advise us if you wish to cancel any policy that we have arranged for you. Customers acting outside their trade or profession (Consumers) will usually have a legal right to cancel policies for any reason, subject to no claims having occurred, within 14 days of receiving the full terms and conditions. A charge may apply for the period of cover provided and, in addition, an administration charge will apply as shown in the Our Remuneration section above. Cancellation under this right must be in writing, prior to expiry of the cancellation period, to our usual office address.

Cancellation of Policies (General)

If you wish to cancel your policy, you may be entitled to a refund of part of your premium provided no claims have occurred during the current period of insurance. The refund of premium due to you may not necessarily be proportionate to the remaining period of cover. Additionally, you should note the following:

- Insurers do not allow refunds in cases where a *minimum and deposit premium* has been charged
- Cancellation may not be possible until you return your certificate/s of insurance to us or your insurers
- Cancellation of a direct debit does not necessarily cancel a policy and any balance of premium owing may be required by insurers.

Complaints

Our aim is to provide a first-class service however, if you wish to register a complaint, please contact us **by writing** to Jo Pavey, Jo Pavey Insurance Services, Victoria House, Victoria Street, Taunton. TA1 3FA.

We will provide you with a copy of our full complaints procedure and respond to you promptly, and always within 3 working days. We will make a final response to you within eight weeks. If your complaint relates to activities or services provided by another party, we will ensure that your complaint is appropriately forwarded in writing and will track the progress of the complaint and responses of that party.

After our final response has been issued, or if this cannot be issued within eight weeks or if you still cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service, for an independent assessment and opinion.

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The FOS Consumer Helpline is on **0800 023 4567** (free for people phoning from a "fixed line" (for example, a landline at home) or **0300 123 9123** (free

for mobile-phone users paying monthly charge for calls to No's starting 01 or 020) and their address is:

Financial Ombudsman Service
Exchange Tower
Harbour Exchange Square
London E14 9SR

www.financialombudsman.org.uk

A full copy of our complaints procedure is available on request.

Financial Services Compensation Scheme (FSCS)

If we are unable to meet our obligations, you may be entitled to compensation from the FSCS. If we have advised or arranged insurance for you this will be 90% of a claim, without any upper limit, however claims under compulsory insurance, professional indemnity insurance and certain claims for injury, sickness or infirmity of the policyholder are protected at 100%. Further information is available from the FSCS helpline on 0800 678 1100 or 020 7741 4100 and www.fscs.org.uk.

The FSCS is the UK's statutory fund of last resort for customers of authorised financial services firms. Compensation is usually payable if an authorised firm is unable or unlikely to pay claims usually because it has ceased trading or become insolvent.

Insurer Security

Whilst we take care to deal with companies that maintain reasonable solvency margins, we cannot guarantee their financial ability to pay claims. The financial standing of any insurer can change after inception of a policy.

Claims

All incidents that could give rise to a claim must be reported to insurers immediately and a claim form completed, if required, as delay on your part in notifying a claim and/or completing the required forms will risk a loss you suffer not being paid in part or in full. Many insurers provide a 24-hour helpline for claims reporting and you should check your policy wording for contact details. We will assist you by providing advice when you make a claim, but it remains your responsibility to have read, understood or queried all documentation that you have received.

You must not under any circumstances admit liability for a loss or agree to any course of action, other than emergency measures carried out to minimise the loss, as you will risk your claim not being met in full or in part. All correspondence, claims, writs, summonses and the like must not be answered and must be forwarded immediately to your insurer. You are also reminded of your duty to keep all losses and costs arising from an incident to a minimum and that failure to comply fully with policy terms and conditions may invalidate cover. If your claim involves damage to your property you should not dispose of damaged items and / or authorise repair work, other than in an emergency or to prevent further damage, until we or your insurers advise that you can.

We will forward claims settlement cheque payments received by us to you as soon as possible.

If an insurer becomes insolvent or delays making settlement we do not accept liability for unpaid amounts.

Anti-Fraud Registers

Insurers share information with each other via the Claims and Underwriting Exchange register and the Motor Insurance Anti-Fraud and Theft Register to aid the prevention of fraudulent claims. In the event of a claim, the information you supply on the claim form, together with any other information relating to the claim, will be placed on the Registers.

Motor Insurer Information Centre (MIIC)

Insurers are legally required to provide details of motor insurance policies to the MIIC. The information describing your insurance cover will be added to the Motor Insurance Database (MID) to which the police and various government agencies have access. This helps the pursuance of claims following accidents and assists in the detection of those persons who are in contravention of the law by not taking out insurance.

Payment Options

We may accept payment by cheque, electronic transfer or by debit card, you may be able to spread your payments through an insurers' instalment facility

or a credit facility with an established insurance premium finance provider. We will give you full information about your payment options and the appropriate finance agreement when we discuss your insurance in detail. Please note that we use Close Brothers and Premium Credit Ltd for the provision of premium finance facilities.

- promising or giving of an advantage, financial or otherwise, to another person to bring about an improper performance or to reward such improper performance
- requesting, agreeing to receive or accepting of an advantage, financial or otherwise to act improperly

It is important that you read the finance agreement that is sent to you before you agree to enter into such an agreement.

If you are a Consumer as defined under the Consumer Credit Act, you will have the benefit of a 14-day cooling off period.

Please Note: Your policy cover will cease if you fail to keep up payments on an instalment agreement or premium finance facility related to it.

Premium Payments (Your Responsibilities)

You agree to pay our charges in accordance with these terms and any invoice issued. Brokerage will normally be deducted by us on receipt of premium.

In relation to insurance premiums our payment terms are: -

- a) New policies: Immediate payment on or before the inception date of the policy.
- b) Mid-term adjustments to existing policies: immediate payment on or before the effective date the change.
- c) Renewals: due in full on or before renewal date.
- d) If the policy is cancelled either by you, us or the insurer any outstanding premium will become payable immediately.

Should you receive your debit note after the timescale stated above, payment is required immediately.

Transferred Business

If we take over the servicing of insurance policies which were originally arranged through another insurance broker or intermediary or directly with an insurer, we do not accept liability for any claim arising out of the advice given by that broker, intermediary or insurer, nor for any errors, omissions or gaps in your current insurance protection.

Please contact us immediately should any aspect of a policy which has been transferred to us be causing you concern or if you need an immediate review. Otherwise we will endeavour to review all transferred policies as they fall due for renewal.

Insurer Searches

Insurers may ask credit reference agencies to provide a credit scoring computation. Credit scoring uses several factors to calculate the risks involved in any application. A score is given to each factor and a total score obtained. Where automatic credit scoring computations are used by the insurer, acceptance or rejection of your application may depend on the results of the credit scoring process. The insurers search will appear on your credit report whether or not your application succeeds.

To ensure that you receive the most competitive offer from insurers, now or at any time and to protect customers from fraud and to verify customer's identity, insurers may use publicly available data which they obtain from a variety of sources, including credit reference agencies and other external organisations.

Premium Finance Credit Searches

When applying for a loan to facilitate payment of your premiums by instalments, your application for credit will be passed to the credit provider who in assessing your application may search public information held by a credit reference agency about you. The credit reference agency will add details of the search and your application to their record about you whether or not your application proceeds.

Bribery and Corruption

We have no tolerance for bribery and corruption and this policy extends throughout the firm for all its dealings and transactions. Our anti bribery policy is updated in line with the changes in law, changes in our business and our reputational demands. All employees are required to comply with this policy.

Both parties agree to comply fully with the requirements of the Bribery Act 2010 and will not engage in any of the following activity:

Conflicts of Interest

We aim at all times to treat you fairly. We will not deliberately put ourselves in a position where our interests, or our duties to another party, prevent us from discharging our duty to you. We maintain internal procedures and controls to identify and manage any potential conflicts so that at all times the interests of our customers are reasonably protected.

Where potential conflicts are particularly complex or difficult to manage, we will seek to agree with you the best way to protect your interests and may ask you to confirm that you are happy to proceed on that basis.

Law and Language

This Terms of Business is subject to English Law and the jurisdiction of the English Courts. We will use the English language for all communications, the contractual terms and conditions, and any information we are required to supply to you, before and during the duration of the contract.

Money

Under the terms of our agreements with the insurance companies with whom we place business we receive premiums you pay to us as Agent of the Insurer. In these circumstances you have the additional protection of insurance companies accepting that monies paid to us are treated as being received by them (Risk Transfer). Please ask for details. We do not pay any interest on premiums held by us in the course of arranging and administering your insurance. In arranging your insurance, we may employ the services of other intermediaries who are regulated by the FCA and your premium may be passed to these intermediaries for payment to insurers. The majority of these intermediary's cascade Risk Transfer to us however where this is not the case we will advise you to whom premiums should be paid.

Other Taxes or Costs

Other taxes or costs, or both, may exist in relation to the products and services offered by us, which are not paid through, nor imposed by us.

Rights of Third Parties

Unless otherwise agreed between us in writing no provision of this Terms of Business is enforceable under the Contracts (Rights of Third Parties) Act 1999 by any parties other than you or us.

Termination of Authority

You may terminate our authority to act on your behalf with 14 days' written notice or as otherwise agreed. Notice of termination must be given by you in writing. Termination is without prejudice to any transactions already initiated unless otherwise agreed in writing. You will be liable to pay for any transactions or adjustments effective prior to termination of our authority and we will be entitled to retain any and all fees or brokerage payable in relation to insurance placed by us prior to the date of termination.

Force Majeure

We shall not be liable to you if we are unable to perform our service due to any cause beyond our reasonable control. In the event of any such an occurrence affecting us we will, once we become aware of such cause, notify you as soon as reasonably practicable.

This figure has been carefully chosen to enable us to offer reasonable redress to our clients in the event of a claim, whilst enabling us to retain competitive levels of fees and commissions and make appropriate arrangements to ensure that any proper claim is met.

This section does not apply to awards made by the Financial Ombudsman Service.

IMPORTANT INFORMATION

Your Duty to make Fair Presentation of the risk

IT IS IMPORTANT THAT YOU UNDERSTAND YOUR DUTY TO MAKE FAIR PRESENTATION OF THE RISK PROVIDING ALL MATERIALLY IMPORTANT INFORMATION, FULLY, COMPLETELY AND ACCURATELY TO US/YOUR INSURER NOT ONLY WHEN YOU TAKE OUT YOUR INSURANCE, BUT ALSO THROUGHOUT THE LIFE OF YOUR POLICY, AT RENEWAL OR AT ANY OTHER TIME WHEN CHANGES OCCUR.

A circumstance or representation is material if it would influence the judgement of a prudent insurer in determining whether to accept the risk and, if so, on what terms. For example: -

- Details of previous claims that you have made or reported or losses suffered;
- Personal information about you such as CCJ's and criminal convictions even when the insurance relates to a business and not you;
- General information about the risk such as the construction of a building, method of heating and information regarding security or processes being undertaken at the premises.

If you are in unsure whether any information could be deemed materially important it must be provided to us and / or your insurer.

The reason why this is vitally important is that if you fail to tell us or the insurer something that is materially important you may be left with no insurance protection; insurers may not pay a part or all of a claim and your policy may be cancelled. You may also find it difficult to re-arrange cover because you did not tell us or the insurer everything when asked, and you will have to disclose this fact when you reapply for insurance.

Warranties, Conditions Precedent and other Conditions

Policies contain WARRANTIES and / or CONDITIONS PRECEDENT and / or other CONDITIONS

It is essential that you understand and fully comply with all warranties, conditions precedent and other conditions set out in your policy.

A breach of any warranty or policy condition will be viewed as a serious matter by your insurer and could jeopardise the continuance of cover or the acceptance of a claim. Please take time to familiarise yourself with all the terms and conditions of your policy.

If you are unsure of the meaning of any part of your policy, please ask us for clarification.

LIMITATION OF LIABILITY – IMPORTANT INFORMATION

1. This section forms part of our Terms of Business. We accept instructions to act on your behalf strictly subject to the following limitation upon our liability.
2. Our Liability to you for any act or omission (including breach of contract or negligence and/or the negligence of any other parties in respect of which we are legally liable to you), whether such liability be in damages, equitable compensation or otherwise, shall not exceed £1,000,000 or its equivalent from time to time in Euros or any other relevant or appropriate currency in respect of any one transaction or series of related transactions.

3. In Section 2 above:

- I. 'negligence' means a breach of any obligation upon us to take required care, whether that obligation is imposed by virtue of a term (express or implied) of any relevant contract, or by the law of negligence, or otherwise;
- II. 'transaction' means any professional service provided by us to you, including (but not limited to) the arranging of insurance, advising on insurance cover and/or on particular wordings, notification of claims to insurers, and claims handling generally;
- III. 'a series of related transactions' has its ordinary meaning (save that 'transaction' has the meaning given at (II) above), but includes (without limitation), (a) transactions concerning, connected with or arising out of the same policy of insurance or reinsurance arrangement, or, (b) where different policies or arrangements insure or reinsure (as the case may be) all or some of the same risks, transactions concerning, connected with or arising out of some or all of those policies or arrangements.

4. We are always prepared to discuss increasing the limit of our liability specified in this section in relation to any individual engagement, if particular reasons exist, but we reserve the right to decline to increase the limit or (in the event that we agree to increase it) to make an additional charge or to impose alternative or additional conditions. No agreement to increase the limit shall be valid unless made in writing and signed by us.

5. Under these Terms of Business, you agree not to make any claims against any employee, director, partner, principal, consultant or other individual connected with us. See paragraph 6 below. However, it is also understood and agreed that if for any reason the provisions of paragraph 6 hereof are held to be invalid or unenforceable in whole or in part, any claim made by you against with us is also subject to the limit of liability of £1,000,000 contained in this clause, and you understand and agree that any such individual may avail themselves of this limitation.

6. You agree

- I. 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 not against any employee, director, consultant, principal, partner as individuals;
- II. that you will not make any claim and/or bring any legal proceedings against any employee, director, partner, principal, consultant or any other individual;

You understand and agree that the provisions of this clause may be enforced by any employee, director, partner, principal, consultant or any other individual connected with us in accordance with the Contracts (Rights of Third Parties) act 1999.

