

Experience the difference



Insolvency Practitioner Surety Bond

Terms of Business Agreement

This agreement sets out our professional relationship with you and the services we will provide to you in accordance with that relationship and this agreement.

We urge you to read this agreement carefully. Please contact us immediately if you do not understand any part of this agreement.

We specifically draw your attention to the following sections of this agreement:

- Conflicts of Interest
- Your Responsibilities
- Client Money
- Limitation of Liability
- Complaints

ABOUT US

AUA Insolvency Risk Services Limited (**IRS**) is authorised and regulated by the Financial Conduct Authority (FCA). We are an insurance intermediary and the permissions granted to us by the FCA allow us to deal with non-investment insurance contracts. We deal with both advised and non-advised sales. We shall let you know in writing if we arrange insurance for you but do not offer advice.

You can verify IRS's authorisation at www.fca.org.uk/register - IRS's registration number is 471561.

OUR RELATIONSHIP WITH YOU

We will act as your insurance intermediary in providing the services set out below. We will therefore act as your agent and be subject to the general law of agency in England.

OUR SERVICES PROVIDED TO YOU

The general services we provide you in accordance with this agreement and our relationship with you as your insurance intermediary is affected by certain conflicts of interest and your responsibilities before and after any Surety Bond is placed. Please ensure that you carefully consider the Conflicts of Interest and Your Responsibilities sections below.

Placing your Surety Bond

By you agreeing to the terms of this agreement and appointing us as your insurance intermediary, we will place a 'Surety Bond' for you in order to satisfy your statutory requirements to comply with the Insolvency Practitioner Regulations and the licensing requirements of your Authorising Body.

In providing our service, we may sometimes act as an agent of the insurer. We will inform you if this situation arises.

Following an analysis of the market, we use a limited number of insurers who are best suited to our requirements. We are not obliged to conduct business in this manner but do so in the best interests of our clients. You may ask us for a list of the insurers we deal with.

Claims

All claims made under the Surety Bond will be made by your Authorising Body. In the event of a claim under the Surety Bond we will notify the insurers of the claim. The insurers may appoint a loss adjuster. We will not represent your Authorising Body in relation to any claim made under the Surety Bond. Given the nature of the Surety Bond, we will not represent or advise you in relation to any claim under the Surety Bond. We do not have claims agreement authority from your insurers.

We will remit claim payments as soon as they are received from the insurers. We will not remit claims monies before they have been collected from insurers.

Use of third parties

We may use a third party, such as another broker, to arrange a policy on your behalf, undertake administrative procedures or transfer money to or from insurers.

CONFLICTS OF INTEREST

Whilst we are your agent in our capacity as your insurance intermediary in performing the services set out above, we also have arrangements with insurers that mean we will also act as their agent. These arrangements will affect the way in which we provide the relevant services to you. We are now disclosing to you these arrangements with insurers and the way in which they will affect the services we provide to you, so that you can assess whether you are content for us to provide the services to you.

- We will firstly seek to place the cover under binding authorities held by us.
- We will not undertake any investigation of the general insurance market to obtain any alternative cover unless it cannot be placed under the binding authorities.

Other occasions can arise where we, one of our associated companies, clients, or insurers, 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 advise you of the potential conflict and explain how it has arisen. We will also take appropriate action to avoid any detriment to you. This may, for example, involve the creation of “ethical barriers”, where we act for you and another party in the same transaction, in order to restrict access to your information to those acting on your behalf. Alternatively, it may include ceasing to act for one or more parties. If such conflicts of interest do arise, we will take reasonable steps to notify you of such conflict and seek your instructions as to whether you wish for us to continue to act as your insurance intermediary.

Please contact us immediately if you would like more information on the procedures and controls we have in place to manage the conflicts of interest.

YOUR RESPONSIBILITIES

Regardless of any proposal form you may complete you should disclose all material facts to insurers and provide full and accurate responses to any enquiries made of you by insurers. The duty of disclosure arises at the time of arranging the Surety Bond and its inception and any subsequent renewal or endorsement. You should also advise us immediately if there is any alteration of your circumstances that materially alters the risk under the Surety Bond.

Should you have any queries regarding the materiality of information or whether it needs to be disclosed to insurers, you should contact us.

We will not be responsible for the consequences of you failing to disclose material information to insurers or disclosing false, incomplete or inaccurate information.

Proposal Forms

You may be required to complete a proposal form for the Surety Bond. This is an important document for you to complete fully, accurately and honestly. We can provide guidance on completing any proposal form but we are not able to complete any proposal form for you.

Your Surety Bond

We will send you the Surety Bond documents for review and signing. When you receive the documents you should consider the terms and conditions carefully and ensure that it accurately reflects the cover you require. If you have any queries regarding the terms and conditions of the Surety Bond please contact us.

If you require any alteration to a Surety Bond during its term please contact us immediately so that we can endeavour to give effect to the required changes.

We will maintain the records and documents of the Surety Bonds we arrange for you in accordance with the requirements of the FCA.

Payment of premium

We will provide you with an invoice for the premium due under the Licence Bond with the due date for payment and instructions for methods of payment. This will tell you the total price to be paid and identifies any fees, taxes and charges separately from the premium. It is important that you pay any relevant premium by the due date, especially as payment of premium is a condition of the Licence Bond. Failure to pay premium on time may result in the insurers cancelling your Licence Bond.

When you submit to us your monthly cover schedule of the Specific Bonds, premium payments must accompany each cover schedule. Cover in respect of Specific Bonds is subject to payment of premium.

We will not pay the premium on your behalf.

Premiums for the transfer of cases from existing Insolvency Practitioners will be negotiated on an individual basis.

Premium payments will only be accepted by BACS.

OUR REMUNERATION

Our usual remuneration is either by way of brokerage (also known as commission), being a percentage of the premium charged by insurers in respect of the insurance contract arranged by us, or a fee which is agreed in advance with you for the services provided by us, or with your agreement a combination of both. Our remuneration is fully earned upon the inception of the insurance contract and, in the event that the insurance is cancelled or is terminated after inception for whatever reason, or if our appointment is terminated for any reason, we may retain/recover the remuneration we have earned

Our commission will be deducted upon receipt of the premium from you (unless your insurer indicates to the contrary) and consistent with market practice this will be before we pay the money to insurers.

We may earn income in a number of other ways. Some insurers may provide efficiency fees or production over-riders periodically to reflect the benefit of receiving large amounts of business from a single source that has been handled promptly and efficiently. Occasionally certain insurers may pay a commission to us to reflect the profitability of our account with them.

On request we will be pleased to provide information about any remuneration and other earnings received by us in the handling of your insurances.

CLIENT MONEY DISCLOSURES

Client money is any premium, refund or claims money that we receive and hold on your behalf in the course of arranging or administering insurance. We will hold such money in accordance with FCA client money rules.

In many cases, insurers have appointed us on a 'Risk Transfer' basis to act as their agent in collecting premiums and handling refunds due to clients. In these circumstances such monies received by us are deemed to be held by the insurer(s) with whom your insurance is arranged. We will notify you if 'Risk Transfer' applies. For the purpose of some transactions, money may pass through other authorised intermediaries before being paid to the insurer.

We will hold premiums and refunds in a statutory trust account with an approved UK Clearing Bank pending payment. The establishment and operation of the statutory trust account follow the rules of the FCA to protect money held by authorised intermediaries. Client money will cease to be client money when paid to the insurer, or a third party with 'Risk Transfer' from the insurer, or when paid to the client in respect of refunds or claims. A copy of the Deed of Trust is available on request. If you object to your money being held in a statutory trust account, you should advise us immediately. Your agreement to pay the premium together with your acceptance of these terms of business will constitute your informed consent to our holding your money in a statutory trust account.



Interest on client money

Any interest earned on client money held by us and any investment returns on any segregated designated investments will be retained by us.

Tax

Dependant upon the transaction, we may administer the payment of applicable taxes whether due from you or insurers to the appropriate tax authorities. In doing so we only undertake this role as an insurance intermediary and we cannot advise on the validity of any tax payment.

Accordingly, whilst we exercise reasonable care in relation to such payments, we do not accept responsibility for administration without specific instructions from you or insurers. We therefore request that if you have specific instructions relating to the payment or administration of applicable taxes, you confirm those instructions in writing.

MONEY LAUNDERING

We are obliged to take reasonable steps to safeguard our company and our clients against the risk of financial crime. To help us achieve this we may need to ask you to provide us with additional information relating to any insurance transactions you ask us to undertake on your behalf.

DATA PROTECTION & CONFIDENTIALITY

This is a summary of how we use relevant information about you to arrange and administer your insurance. This information includes details such as your name, address and contact details and other information that we collect about you in connection with arranging and administering your insurance. This information may also include more sensitive details such as information about your health and any criminal convictions you may have and other sensitive information. Our full privacy statement can be found on our website www.insolvency.com, or can be provided on request. You should review our privacy statement to ensure that you understand how we use data and your rights in respect of that data.

We will process any personal information we obtain in the course of providing our services in accordance with Data Protection Law and we have policies and procedures in place to protect and manage that information. We treat all information provided by our clients as private and confidential and we will always work to ensure that personal data is processed lawfully, fairly and in a transparent manner and in compliance with Data Protection Law. This may require us to enter into other written agreements with you to enable us to comply with Data Protection Law.

Personal data that we collect will only be disclosed in the normal course of negotiating insurance transactions undertaken on behalf of our clients and administering insurance. We will however need to use and disclose information provided by our clients which may include personal and sensitive personal data in order to obtain insurance quotations and in the course of arranging, placing or administering insurance. This may involve passing information on to insurer(s), other intermediaries and other product or service providers which supply us with business and compliance support in relation to such insurance. We may also need to pass such information on to industry regulators, auditors or in the event that the information is requested by a court of competent jurisdiction. The use and disclosure of your personal data by various insurance market participants such as intermediaries, insurers and reinsurers is further explained in The Lloyds and London Insurance Market Core Uses Information Notice. Our core uses and disclosures are consistent with this notice and we recommend you review this document which can be accessed via a link in our privacy notice.

Depending on the circumstances or nature of the insurance we may need to transfer personal data out of the jurisdiction of the European Economic Area. If this is necessary, we will always ensure that the data is protected as required by Data Protection Law.

We may use personal data for research, statistical analysis and crime prevention including the investigation of fraud. Sometimes we will also contact you or pass your details to other companies associated with us in order to promote products or services which may be of interest to you. We will only do this however in accordance with our obligations under Data Protection Law.

In some circumstances, we will need to pass information about you on to credit reference agencies and premium finance providers in connection with the assessment of your financial standing generally and in particular where you have requested a premium instalment plan. This may include details of your payment record to us.

Where using personal data relies on the consent of individuals, we will obtain that consent or ensure that the consent is obtained in accordance with Data Protection Law. Where this is the case, individuals will be entitled to withdraw that consent. That may mean however that we are unable to arrange, place or administer your insurance properly.

If you have supplied us with personal or sensitive personal information relating to another individual or a third party, you must ensure that you have done so in compliance with Data Protection Law and provide the information to them which is required to be provided to individuals under Data Protection Law. This includes making them aware of their rights and of how we use their data and obtaining their consent where it is required in accordance with Data Protection Law.

In some cases, individuals will have the right to ask us to stop using their data, to tell us that they no longer want to receive information from us, to ask us to correct information we have about them or to ask us for the information we hold about them. Full details of these rights under Data Protection Law and how to enforce those rights are set out in our privacy statement on our website.

If at any time an individual wants us, or any company associated with us, to cease processing any personal data or sensitive personal data we hold, or to cease contacting them about products and services, they should write to our Compliance Officer.

“Data Protection Law” means all applicable statutes and regulations in any jurisdiction pertaining to the processing of Personal Data, including but not limited to the privacy and security of Personal Data.

COMPLAINTS

We take complaints made against us very seriously and maintain a procedure to ensure that complaints are dealt with promptly and fairly.

If you wish to register a complaint, please notify the Complaints Representative of IRS at the following address

5th Floor
City Gate East Tollhouse Hill Nottingham NG1 5FS
Tel: 0115 9084999
Email: IRScomplaints@insolvencyrs.com

If we cannot resolve your complaint straight away, we will acknowledge its receipt promptly and arrange for a senior manager to investigate the matter and provide you with a response.

If your complaint is not resolved to your satisfaction or if you are unhappy with the way in which your complaint has been handled, you may be eligible to refer the matter to the Financial Ombudsman Service (FOS). Details of how to contact the FOS and the applicable eligibility rules can be found at www.financial-ombudsman.org.uk. We will send you details of how to refer to the FOS when we send you your final written response or at 8 weeks after receipt of your complaint (whichever occurs first).

FINANCIAL SERVICES COMPENSATION SCHEME

You may be entitled to compensation from the Financial Services Compensation Scheme (**FSCS**). Details of FSCS and the circumstances in which you may be entitled to compensation can be found on the FSCS website: www.fscs.org.uk

TERMINATION

Subject to your immediate settlement of any outstanding premiums and fees, you may instruct us to stop acting for you and we will not impose a penalty. Your instructions must be given in writing and will take effect from the date of receipt.

In circumstances where we feel we cannot continue providing services to you, we will give you a minimum of 7 days notice.

Unless otherwise agreed in writing, if our relationship ends, any transactions previously initiated will be completed according to these terms of business. 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 all fees charged by us for services provided.

ENTIRE AGREEMENT

This agreement and any subsequent amendments constitute the entire agreement between us regarding the basis of the services we will provide you as your insurance intermediary, and supersedes all previous agreements between us. We will advise you in writing of any amendment to this agreement.

THIRD PARTY (RIGHTS AGAINST INSURERS) ACT 2010

Where an insured becomes insolvent and has incurred a liability to a third party, the third party may be entitled under the Third Party (Rights Against Insurers) Act 2010 (“the Act”) to make a claim against the relevant insurer directly. Pursuant to this right the third party will be entitled under the Act to obtain policy information from any party it believes holds that information including the insured’s broker. That party has twenty-eight days in which to comply with the request for information. Where we receive a request under the terms of the Act we will contact you and discuss the request before releasing any information.

If we are unable to make contact with you we will not be in breach of our duty of confidentiality to you by releasing information in response to such request, even where it transpires that you are not insolvent, nor have you incurred a liability to the third party, provided we have made reasonable efforts to establish the facts.

GOVERNING LAW

This agreement, which sets out the basis of our relationship with you as your insurance intermediary, shall be governed by the laws of England and Wales.

Any dispute between us arising under or out of or in connection with this agreement and our relationship with you as your insurance intermediary shall be subject to the exclusive jurisdiction of the courts of England.

