

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. The agreement also sets out our regulatory and statutory responsibilities and supervision.

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 an insurance broker authorised and regulated by the Financial Services Conduct Authority (FCA). IRS is authorised and permitted to arrange general insurance contracts. You can verify IRS's authorisation at www.fca.org.uk/register - IRS's registration number is 471561.

IRS is a wholly owned subsidiary of MS Amlin plc. MS Amlin plc is a wholly owned subsidiary of MS&AD Insurance Group Holdings, Inc.

MS Amlin's and IRS's registered office is located at The Leadenhall Building, 122 Leadenhall Street, London EC3V 4AG.

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.

Please note that in providing the above service to you:

- We will seek to place the Surety Bond under a binding authority held by us.
- A binding authority agreement delegates authority from the insurer to us and allows us to agree cover, issue documents on insurer's behalf and collect premiums. You may request the names of such insurers from us.
- We will not undertake any investigation of the general insurance market to obtain any alternative source of cover for the Surety Bond.
- We do not offer advice in relation to tax, accounting, regulatory or legal matters and you should take any separate advice you consider necessary regarding such matters.

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. These third parties may include brokers that are another subsidiary of MS Amlin plc or in which MS Amlin plc has a financial interest

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 seek to place the Surety Bond under a binding authority held by us.
- We will not undertake any investigation of the general insurance market to obtain any alternative source of cover for the Surety Bond.
- The Surety Bond binding authority may be partly or wholly underwritten by a separate subsidiary of MS Amlin plc.

We have in place procedures and controls to manage the conflicts of interest set out above.

There may be other circumstances in which a conflict of interest arises given the complex nature of the insurance market. 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

Disclosure of information

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. Failure to make full disclosure of material facts may allow insurers to avoid any liability under the Surety Bond should a claim arise or void the Surety Bond entirely. 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. 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 or cheque.

LIMITATION OF LIABILITY

We will not be liable to you for any direct or indirect losses, damages or costs or expenses incurred or suffered by you as a result of or in connection with any service that we provide to you hereunder unless arising directly from our negligence, wilful default or fraud (or that of our directors, officers or employees).

In no circumstances will we have any liability for consequential or special damages, loss of profit or loss of goodwill, howsoever arising.

Nothing in this agreement will limit or exclude our liability for death or personal injury resulting from our negligence.

Nothing in this agreement shall limit or exclude our duty or liability that we may have to you under the regulatory system as defined in the FCA rules.

OUR REMUNERATION

We do not earn commission when placing your Surety Bond(s) with insurers.

We may charge you a fee for acting as your insurance intermediary. That fee will be disclosed to you separately to any premium you are required to pay. You will agree that fee before it is charged to you. In the event that we or you terminate this agreement and our relationship with you as your insurance intermediary, we will still be entitled to charge a fee for the services we have provided up until such termination.

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.

Risk Transfer

We have agreements with most insurers to which we place business to permit us to receive and hold client money on a risk transfer basis. This means we will receive and handle premiums, refunds and claims monies as agent of the insurer

Trust Account ('Client Account')

We will provide protection for client money by holding all client money in a general Client Account that is a Trust account set up and controlled in compliance with the FCA's Client Assets Rules (CASS). This is completely segregated from our own money and there are strict regulatory controls on us to maintain solvency of the Client Account and to conduct a regular reconciliation of the account.

Use of Third Parties

We will inform you if we intend to use any third party, such as another broker, to arrange a policy on your behalf or transfer your money to insurers. Where this involves another person outside the UK, a different legal and regulatory regime may apply and money may be treated in a different manner. Please advise us if you do not wish for your policy(ies) to be arranged with a particular third party or money passed to a person in a particular jurisdiction.

Segregation of Designated Investments

Although we pay client money into a Trust bank account, we may also arrange to invest client money in separate designated investments permitted under FCA rules. If we do this we will be responsible for meeting any shortfall in our client money resource which is attributable to any shortfall in market value of such investment.

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

All personal data or other information we receive from you is treated as confidential and is only disclosed to others in the normal course of arranging and administering insurance with insurers and others on your behalf or in providing related services. We are registered under the Data Protection Act 1998 and undertake to comply with the Act in all our dealings with any personal data you provide us. From time to time we may appoint a third party to assist us with the processing of your personal data and any agreement we may have with a third party will cover data processing to ensure your data is properly protected.

We may share your information with other companies within the MS Amlin plc group to assist us with your insurance arrangements. We, or they, may wish to inform you of other services or products which could be of interest to you. If you prefer not to receive information on our other products or services, please write to the Data Protection Manager of IRS, at our registered address.

Under the Data Protection legislation you are entitled to request a copy of the personal data we hold about you by writing to the Company secretary at our registered address and paying a fee.

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@insolvencys.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

This agreement may be terminated by you or us giving 30 days' written notice to the other.

Upon the termination of this agreement you should appoint an alternative insurance intermediary. We will then transfer all relevant files and documents to that intermediary.



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

No term of this agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999, except by any member of the MS Amlin plc group of companies.

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.

EXCLUSIVE JURISDICTION

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.

