

Experience the difference



Open Cover

Terms of Business Agreement

irs
the insolvency risk specialists

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 are affected by certain conflicts of interest and your responsibilities before and after any cover is placed. Please ensure that you carefully consider the Conflicts of Interest and Your Responsibilities sections below.

Placing your policies of insurance

By you agreeing to the terms of this agreement and appointing us as your insurance intermediary, when notified by you we will provide the following services to you:

- The Open Cover facility we have arranged with insurers enables us to offer cover from the date of your appointment with limited information being available, provided you notify us within the relevant timescales as set out in the document "Insolvency Open Cover – A guide for clients". This Open Cover uses Master Policy Wordings which set out the terms and conditions of the relevant covers provided. We have provided you with Master Policy Wordings. We will issue an Evidence of Cover document to you confirming the placement of Open Cover once it is in force.
- If you require terrorism cover on all of your appointments you must notify us. Please note that if you provide such notice the terrorism cover will be effective from the date of appointment for your future appointments. Otherwise, cover for any appointment will only be effective from the date of acceptance of the relevant quotation for terrorism cover for such appointment.

- Where you have instructed us to do so and provided sufficient information, we will advise you on the suitability of any existing insurance policies in place for the applicable company(ies) or individual(s) for which you have been appointed. Subject to your agreement, we will then endeavour to place any further policies of insurance that are required for the applicable company(ies) or individual(s) for which you are acting. We will issue appropriate evidence of such covers being in place.
- Please note that in providing the above services:
 - Providing you notify us within the relevant period, as set out in the document “Insolvency Open Cover – A guide for clients”, after your appointment, we will firstly seek to place the cover under binding authorities 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 cover unless it cannot be placed under the binding authorities.
 - If the cover cannot be placed under the binding authorities held by us, we will then endeavour to place the cover on the open market. We will also endeavour to place any other policies of insurance on your behalf as requested by you.
 - 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

We will, upon receipt of all necessary information, provide the following claims handling services to you:

- Notify your claim or circumstances to insurers
- Represent you in the resolution of the claim
- Arrange for the collection and/or settlement of the claim

We will not remit claims monies to you 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 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.
- The binding authorities may be wholly or partly underwritten by a separate subsidiary of MS Amlin.
- If the cover cannot be placed under the binding authorities held by us, we may firstly seek to place such cover with a separate subsidiary of MS Amlin plc. If such cover cannot be placed with

a separate subsidiary of MS Amlin plc we will then endeavour to place the cover on the open market.

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 it is your obligation and duty to 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 can allow insurers to avoid any liability under the policy should you have a claim or void the policy entirely. The duty of disclosure arises at the time of arranging the policy and its inception and any subsequent renewal or endorsement. You should also advise us immediately if there is any alteration or changes that materially alter the risk insured under the policy.

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 Open Cover and other policies of insurance we may place on your behalf. 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.

Once we receive your risk details, we will issue a Statement of Fact which confirms the information you have provided and we have used to place the cover. If the Statement of Fact is incorrect, you must contact us immediately to advise us of the amendments required. Any amendments will only be effective from the date you notify us.

Cover information and policy documentation

We advise you to review all information upon receipt and to let us know immediately if the details of cover or the participating insurers do not meet with your approval, or do not reflect the instructions previously given to us, and particularly if any cover you require is excluded.

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

Claims

Please contact us immediately if you become aware of any claim or circumstances that could give rise to a claim under the policy. It is important that you present to insurers all information that is relevant and material to a claim. Failure to promptly report claims to insurers or provide accurate information to insurers may result in the insurers denying the claim.

It is important for you to safely maintain copies of the policy documents and claims reporting instructions, as you may need to report a claim after the expiry of the policy.

We will represent you in relation to your claims under the relevant policies. We may have claims agreement authority from your insurers, including any subsidiary of MS Amlin plc. If we do not have claims authority, employees of that insurer or another subsidiary of MS Amlin plc will handle your claims as insurer.

Payment of premium

We will provide you with an invoice for the premium due under the policy 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 where payment of premium is a warranty or condition of the policy. Failure to pay premium on time may result in the insurers cancelling your policy.

We will not pay the premium on your behalf.

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 will be remunerated in two ways.

Firstly, we may earn a commission from insurers when placing your policy(ies) with those insurers. This commission is a percentage of the premium paid by you. We will agree the percentage of the commission with the insurers, which may vary depending upon the class of policy(ies) placed and with which insurers. We will disclose this commission to you on request before we place any policy on your behalf.

Secondly, we may charge you a fee for acting as your insurance intermediary. That fee will be disclosed to you separately to any insurance 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.

In the event that you decide to cancel your policy any return of premium will be dependent on insurer and placing broker conditions. We reserve the right not to refund our commission unless we agree otherwise with you.

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

If we use any third party, such as another broker, to 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 money to be dealt with by 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 the 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 shall 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.

