

# **COLLINGWOOD RICHARDSON and COMPANY LIMITED**

## **TERMS OF BUSINESS (V19. May 2018)**

### **1. Introduction**

These terms of business come into force on the date you receive them from us and will remain in force until you are provided with revised terms.

Collingwood Richardson and Company Ltd is an independent insurance intermediary acting on your behalf in arranging your general insurance.

We provide the following services: the initial arrangement of cover, mid-term alterations, claims handling and renewal processing. We will advise and make a recommendation for you after we have assessed your needs. This will include the type of cover you seek together with the costs.

We offer products from a wide range of insurers for Complex Commercial Insurances, Motor, Household, Property and many other classes. We only offer products from a limited number of insurers for Specialist Insurances such as Travel, Pet, Equine, Caravan, Personal Accident, Private Health. For Private Motor Legal Expenses and Household Legal Expenses Insurance we solely offer products from Ageas Insurance which is arranged through Auto Legal Protection Services Ltd (ALPS) claims management company. The list of insurers we offer insurance from is available upon request.

If you speak to one of our advisors about taking out, amending or renewing your policy, then you are likely to do so on an advised basis. This will include the provision of advice and recommendations where appropriate, in order to ensure the insurance discussed is most suitable for your needs.

### **2. Our status**

Collingwood Richardson and Company Ltd of Collingwood House, Hall Bank, Pontesbury, Shrewsbury, SY5 0RF is authorised and regulated by the Financial Conduct Authority. Our FCA Register number is 305127.

Our permitted business is advising and arranging general insurance contracts. You can check this on the FCA's Register by visiting the FCA's website [www.fca.org.uk/register/](http://www.fca.org.uk/register/) or by contacting the FCA on 0845 606 1234. The FCA is the independent watchdog that regulates financial services. You should use the following information to decide if our services are right for you.

### **3. Willis Towers Watson Commercial Network (WCN)**

We are members of Willis Towers Watson Commercial Network, a partnership of Willis Towers Watson, Major Insurance Companies and a network of Independent Insurance Brokers; this network provides us with access to the resources and market facilities of one of the world's largest insurance brokers whilst keeping our proud independence.

### **4. Remuneration**

In the normal course of our business we receive commission from insurance companies with whom we place business. Prior to the conclusion of each insurance contract, or upon renewal, we remind you of your right to be advised of the level of commission which we receive from underwriters. You are entitled, at any time, to request information regarding any commission which we may have received as a result of placing your insurance business.

In circumstances where fees are chargeable, we will notify you in advance of these fees. We do not charge fee's for quotations or mid term adjustments and we do not charge any administration fee's; we may charge an inception or renewal fee for our services where minimal or no commissions are payable. Underwriters and Sub-Broker fees may sometimes be charged, we will highlight these where applicable. You will receive a quotation that will tell you about any other fees relating to any particular insurance policy.

We reserve the right to recover brokerage reclaimed by insurers following policy cancellations from refunds due.

### **5. Client Money**

Client money is money of any currency that we receive and hold in the course of carrying on insurance mediation on behalf of our clients (including you) or which we treat as client money in accordance with the client money rules.

### **6. Risk Transfer (Money held as agent of an insurer)**

Where we have agreed in writing with insurers to receive money as their agent, money received whether from you or from the insurer will be the property of the insurer whilst we hold it. So if you pay a premium to us it will be treated as having been received by the insurer, which means you cannot be asked to pay it again if we do not pay the premium over to the insurer. Similarly once we have received the premium we would be unable to return it to you, for example in the event of the insurer becoming insolvent. Also, if the insurer pays claims money or a return premium to us for onward transmission to you and we do not pay you, then the insurer will still be liable to you. As the insurer bears the risk of such losses this agency relationship is usually described as Risk Transfer. Most of our insurance partners provide risk transfer.

### **7. Statutory Trust**

Where an insurer does not offer us risk transfer, you will be informed, this money will then be held in a Statutory Trust Account.

This is completely segregated from our own money and there are strict regulatory controls on us to maintain solvency of the statutory trust account and to conduct a regular reconciliation of the account. The aim of a statutory trust account is to protect the client in the event of the failure of the firm, or the failure of the bank or a third party by whom the money may be held. In such a circumstance, the firm's general creditors should not be able to make claims on client money, as it will not form part of this firm's property.

Client money will only be held as agent on behalf of an insurer or underwriter in accordance with a written agency agreement. You will be notified if this will affect your policy. 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.

### **8. Interest on Client Money**

Any interest earned on client money held by us for consumers will be retained by us for our own use, rather than paid to you.

### **9. Settlement terms**

We will be responsible for issuing invoices for all new and renewal premiums and mid-term alterations as soon as practicable either after inception or renewal of your policy or after any mid-term alteration has been affected.

We will remit premiums to insurers in accordance with the agreed terms of business. You will be responsible for paying promptly all of our invoices for premiums to enable us to make the necessary payments to insurers. For the avoidance of doubt, we have no obligation to fund any premiums on your behalf.

We also have no responsibility for any loss that you may suffer as a result of insurers cancelling the policy or taking any other prejudicial steps as a result of the late payment of such sums if such delay is attributable to you.

In certain circumstances, insurers may impose a specific premium term, whereby they require payment of premium by a certain date. We must stress that breach of that term will entitle insurers to void the policy from inception of cover. You agree that the settlement of premiums in good time is your responsibility.

We accept payment by direct bank transfer or cheque; debit card or credit card payments can often be arranged directly with your insurer; we can often arrange instalments through your insurer or with Premium Credit Ltd.

#### **10. Disclosure and your duty to make a fair presentation of the risk (Insurance Act 2015)**

It is your responsibility to provide complete and accurate information to insurers when you take out your insurance policy and when you renew your insurance. It is important that you ensure that all statements you make on the proposal form, claims forms and any other documentation are full and accurate.

Please note that if you fail to disclose any material information or change of circumstances to your insurers, this could invalidate your insurance cover and could mean that part or all of a claim may not be paid. We strongly recommend that the information provided is checked thoroughly prior to submission and that you keep a record of all correspondence in relation to the arrangement of your insurance cover.

**The Insurance Act 2015** changed the law relating to insurance; it is now a statutory requirement that you must make a fair presentation of the risk to your insurer at inception, renewal and variation of your Policy. This means that you must tell your insurer about all facts and circumstances which may be material to the risks covered by your Policy in a clear and accessible manner or give the insurer sufficient information to alert them of the need to make enquiries about such facts or circumstances.

Material facts are those which are likely to influence an insurer in the acceptance of or assessment of the terms or pricing of your Policy. If you are in any doubt as to whether a fact is material, you should tell them about it.

#### **11. Policy documentation**

We will issue policy documentation in a timely manner. Your policy documentation will confirm the basis of the cover, give details of the insurers, and be accompanied by an invoice/debit note. You will be given an explanation of any changes. Prior to the conclusion of the contract you will be given a statement of demands and needs, which sets out and confirms the reason for us making the recommendation.

We will take reasonable steps to ensure that consumers will be provided in writing no less than 21 days before the expiry of the policy the renewal terms, or advised if renewal is not being offered. For our commercial customers this period will be 14 days if all necessary information has been provided by the insured.

We may keep certain documents, such as your insurance policy and/or certificates of insurance until we receive full payment of premium and/or administration charges. In these circumstances we will ensure that you receive full details of your cover and any documents that you require by law.

#### **12. Cancellation Rights**

A consumer has the right to cancel a general insurance contract within 14 days of receiving the contractual terms and conditions. In the event of cancellation, insurers may return a pro rata premium to us based on the time on risk.

#### **13. Claims**

As part of our service, whilst we are your appointed broker, we will help you submit a claim on your policy to your insurer, but it remains your responsibility to have read, understood or queried all documentation upon receipt.

All incidents that could possibly give rise to a claim must be notified to us or your insurer in accordance with the terms of your policy and a claim form completed where required. If you are unsure whether a matter constitutes a claim or not, please contact us and we will advise you. Delay on your part in notifying a claim and/or completing required forms will risk a loss you suffer not being paid in part or in full. You should not, however, admit liability or agree a course of action, other than emergency measures carried out to minimise the loss, until you have agreement from your insurer.

#### **14. Terms (Quotes)**

When we supply you with a quotation we will confirm how long this will be valid for on the terms we have quoted, give you a written quotation including all the information you need to make an informed decision and give you a summary of the policy coverage.

#### **15. Complaints**

We take all complaints seriously. If you wish to register a complaint then please contact our Managing Director either: In writing to Collingwood Richardson & Company Ltd, Collingwood House, Hall Bank, Pontesbury, Shrewsbury, SY5 0RF. By telephone on: 01743 790790. We will acknowledge your complaint in writing and tell you how we will handle it. If we are unable to settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service. A copy of the complaints procedure is available upon request.

#### **16. 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. Insurance advising and arranging is covered for 100% of the first £2,000 and 90% of the remainder of the claim, without any upper limit. For compulsory classes of insurance, insurance advising and arranging is covered for 100% of the claim, without any upper limit. Further information about compensation scheme arrangements is available from the FSCS.

#### **17. Data Protection / Privacy / GDPR**

All personal information held by us in relation to you will be treated with the utmost confidence and, where appropriate, in accordance with data protection legislation, including the Data Protection Act 1998 and GDPR 2018.

We have a Customer Privacy Policy that outlines what data we hold, the legal basis for us holding your data and how your information will be used – please request a copy.

#### **18. Premium Finance (Paying by Instalments)**

Should you wish to fund your premium over the year we will offer you finance (subject to status) through the relevant insurance company's instalment scheme and also through either 'Close Premium Finance' or 'Premium Credit'. If you chose to use your insurance company's instalment plan, they will carry out financial checks and may require you to make a declaration regarding your financial history. We will not charge any Fee or take any additional Commission from arranging instalments with your insurer. Should you accept terms from CPF or PC then it is your responsibility to read through the credit agreement. We would recommend that you pay special attention to the details regarding policy cancellation and defaulted payments. Should you decide to pay by the relevant insurance companies scheme then they should write to you directly to inform you of your payments and interest rate. Following the final monthly payment of a premium it is your responsibility to ensure that you inform your bank should you not wish to renew your agreement or should you wish to pay by a different method as the insurer will often take the first payment of the

new years premium before the actual renewal date. We cannot be held responsible for payments taken by insurance companies although we will always offer you our assistance to recover payments made in error.

**Data Protection** – If you wish to pay your premium by instalments your details may be passed to our third party instalment providers 'Premium Credit Ltd' or 'Close Premium Finance'. They will send you a welcome pack detailing their full terms and conditions. If you have any questions about your instalments you should contact the loan company. On renewal of your policy we will continue to pass your details to the finance company unless you instruct us otherwise.

**Defaults** – If any Direct Debit or any other payment due in respect of the credit agreement you enter into with Premium Credit Ltd or Close Premium Finance Ltd to pay insurance premiums is not met when presented for payment or if you end the credit agreement, or if you do not enter into a credit agreement, we will be informed of such events by the finance company.

If you do not make other arrangements with us to pay the insurance premiums you acknowledge and agree that we may, at any time after so being informed, instruct on your behalf the relevant insurer to cancel the insurance (or notify the insurer that a policy has not been taken up or renewed) and to collect any refund of premiums which may be made by the insurer and if any money is owed to the finance company under your agreement pay it to them or if they have debited us with the amount outstanding, use it to offset our costs. You will be responsible for paying any time on risk charge and putting in place any alternative insurance and or payment arrangements you need.

**Commission** – we may charge a percentage fee for the arrangement of finance with third party finance companies, this can be between 0.0% and 2.0% for commercial loans and between 0.0% and 5.0% for retail customers. We do not consider this to be a core service, our fee is justified to cover the administration of loans and contributions to PCL for credit defaults, plus the costs of an annual consumer credit licence and contributions towards levies charged by the Financial Services Compensation Scheme and Financial Ombudsman Service for arranging finance. We will also offer you the relevant insurance companies finance package and confirm comparative costs and advise if better terms are available from your insurer.

#### **19. Third Party Rights**

Unless otherwise agreed in writing, no term of this agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999. Activities undertaken by us under this agreement are provided for your sole use and you shall not be entitled to permit third party access to this information without our express written permission.

#### **20. Insurer Security**

Although we take care to place business with financially solvent insurance companies using information from ratings agencies, we do not and cannot guarantee the solvency of any Insurer we place business with. We do not generally recommend non-rated insurers and will highlight these insurers if terms from such are ever offered. A liability for the premium, whether in full or pro rata, may arise under policies where a participating insurer becomes insolvent. In the event that an insurer becomes insolvent or delays making a claims settlement we do not accept liability for any unpaid amounts.

#### **21. Money Laundering & Proceeds of Crime Act**

You agree to provide such evidence and information about your identity, and that of your associates, as we may reasonably require in order to comply with our obligations under money laundering legislation and regulations and associated Proceeds of Crime Act. We are obliged to report to the Serious Organised Crime Agency and/or appropriate law enforcement agencies any evidence or suspicion of financial crime at the first opportunity and we are prohibited from disclosing any such report.

#### **22. Anti-Bribery and Corruption**

The parties agree that bribery, as defined under the Bribery Act 2010, is prohibited. It is therefore agreed that neither party will request, accept, offer or provide any payment or other advantage, to or from any person, which, in the absence of documentation to demonstrate otherwise, can be perceived as capable of influencing any person connected with the activities of either party to act improperly in contravention of the Bribery Act 2010. It is also agreed that neither party will offer or provide payments or any other advantage to a government official or worker, in any country, with the intention to influence such official or worker in their capacity as such, and to obtain or retain a business advantage.

#### **23. This Agreement (and its Termination)**

These Terms of Business constitutes the entire agreement between us and supersedes and extinguishes all previous agreements, (including, but not limited to any terms of business agreement that may have previously been sent to you by us), promises, assurances, warranties, representations and understandings between us, whether written or oral, relating to its subject matter. You acknowledge that in entering these Terms of Business you cannot rely on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that are not set out in these Terms of Business. You agree that you shall have no claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in these Terms of Business. Nothing in this clause shall limit or exclude any liability or fraud. No variation to these terms of business shall be effective unless it is in writing.

These Terms of Business may be cancelled by either party by giving 7 days notice in writing to the other. You will remain liable to pay for any transactions or adjustments effective prior to termination and we shall be entitled to retain any and all commission or fees payable in relation to insurance cover placed by us prior to the date of written termination of our authority to act on your behalf.

#### **24. Governing law**

These terms of business shall be governed by and construed in accordance with, the Laws of England and Wales and the parties submit to the exclusive jurisdiction of the courts of England and Wales.

**Version 19. May 2018**

**THIS DOCUMENT IS ALSO AVAILABLE IN LARGER PRINT, PLEASE CONTACT US FOR A COPY**