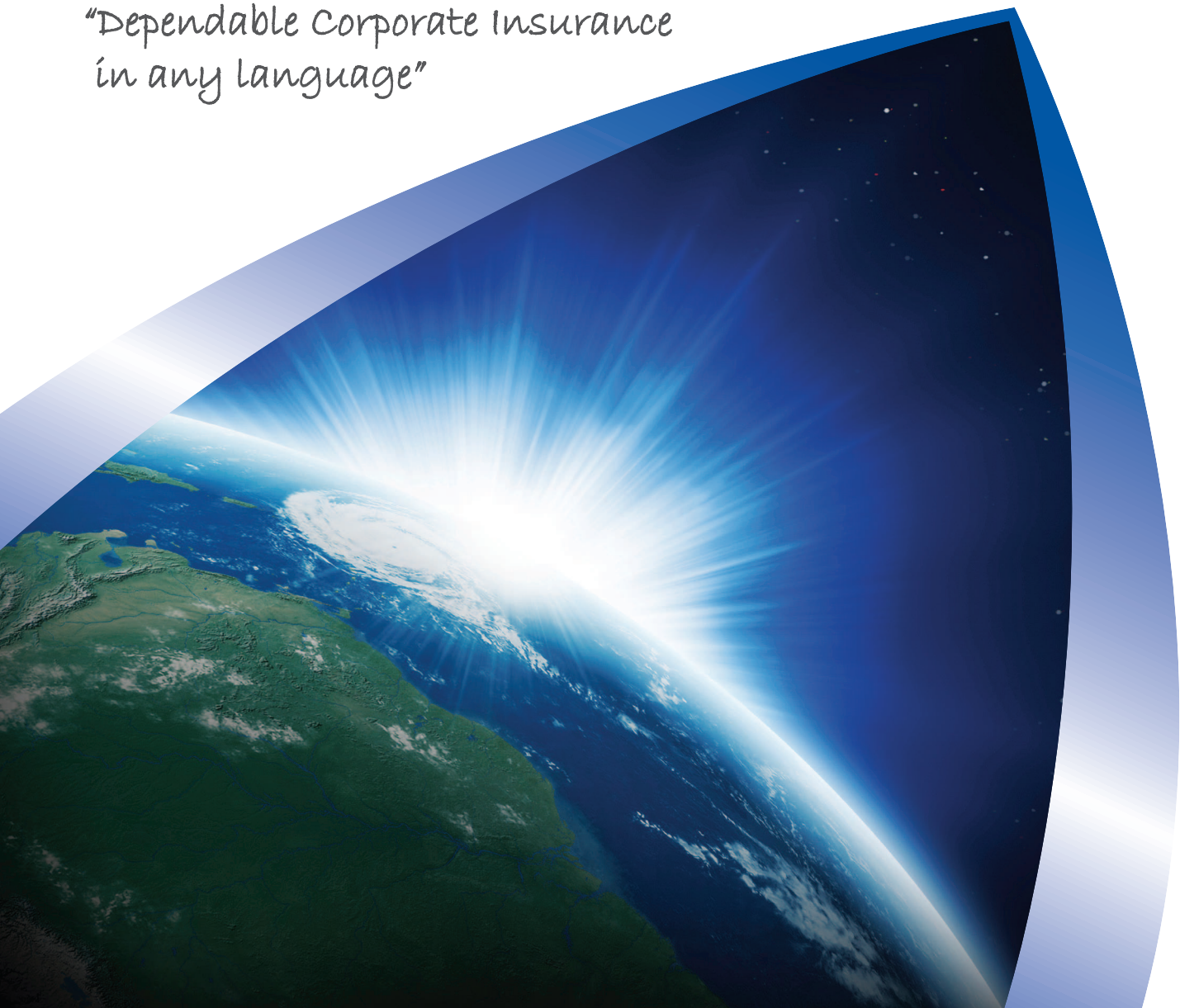


# UIB GROUP

UNITED INSURANCE BROKERS LTD

TERMS OF BUSINESS AGREEMENT

*“Dependable Corporate Insurance  
in any language”*



## 1. Introduction and Business Service

United Insurance Brokers Ltd (UIBL) is an independent international insurance and reinsurance<sup>1</sup> Lloyd's broker, a member of the **UIB Group** of companies operating worldwide. The principal place of business is 69 Mansell Street, London E1 8AN being authorised and regulated by the UK Financial Conduct Authority (FCA)<sup>2</sup>. Details of which can be confirmed on the Financial Services Register at <http://www.fsa.gov.uk/register/home.do/>. Our permitted business is arranging general insurance contracts and our FCA Register number is 307812.

The purpose of this *Terms of Business Agreement* ("the Agreement") is to set out the terms on which UIBL undertakes to act for you, our client, including our regulatory and statutory obligations. It also identifies your own responsibilities both to us and to insurers. We will also, in order to satisfy our obligations with regard to financial crime legislation, run certain checks from time to time to ensure that there are no prohibitions against working with you.

These are our standard terms and can only be varied with our written consent; please contact us immediately if there is anything in this document which you do not understand or with which you disagree. If you continue to do business with us and we do not hear from you, this will serve as your consent to working with us on the terms set out in this Agreement.

We will at all times act with integrity and good faith.

## 2. Your Obligations

If you are an intermediary, you owe a duty of care, either to the ultimate insured or to another intermediary. In all cases you must ensure that you have full authority to instruct us. It is your obligation to ensure that the ultimate insured is aware of all the terms of any insurance policy obtained by us on your instructions. It is also your obligation to ensure that you hold and comply with all necessary licences, statutory law and regulatory rules that apply in your local domicile.

Whether the insured or an intermediary you must disclose all material facts before the insurance contract is finalised both for new contracts, at renewal and at all times throughout the policy period. This duty additionally applies when submitting a claim under the policy. Please refer to *Duty to Disclose/Duty of Utmost Good Faith to Insurers*.

All instructions must be confirmed to us in writing, for instance to bind or amend cover or to report a claim, in a timely manner and you should notify us immediately if there is any change in your circumstances or regulatory status (or that of another intermediary), or if any legal and/or disciplinary action has been taken.

Premiums should be paid promptly; paying due regard to premium payment conditions and /or warranties.

## 3. Confidentiality

Information provided by you will not be used or disclosed other than in the course of carrying out your instructions as your insurance broker unless you have consented otherwise. We may disclose the fact that you are our client and the nature of the insurance, but no other details. Disclosure may also be made to our regulator, and to our agents or other service providers, or where we are legally obliged to disclose the information, or where the information is already in the public domain.

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<sup>1</sup> Any reference to "insurance/insurer" shall be construed within the Agreements to include reference to "reinsurance/reinsurer"

<sup>2</sup> Formerly known as the Financial Services Authority (FSA)

#### 4. Conflict of Interest

We have procedures, systems and controls in place to deal with possible conflicts of interest that may arise when dealing with you. We will advise you immediately when and if they occur. Your interest will be in the forefront at all times.

#### 5. Duty to Disclose/Duty of Utmost Good Faith to Insurers

In order for us to arrange insurances on your behalf, you and any agent acting on your behalf must at all times act with utmost good faith towards us and the insurers. You must disclose to insurers, through us, before the contract is finalised with insurers, all information that is known to you and that you are deemed to know in the ordinary course of business and is material to the risk. Information is material if it would influence the judgement of a prudent insurer in fixing the premium or determining whether to underwrite the risk and at what terms and conditions. If there is any doubt as to whether information is material, it must be disclosed.

Should there be a failure to act with utmost good faith or to disclose any information to insurers; insurers may void the contract from inception. This means they would act as if the contract had never come into existence. They may thus seek the recovery of any paid claims but they would then return any premium received.

Where you are required by insurers to complete a proposal or claim form or other document you are reminded that the responsibility for the accuracy of all the details given is yours and yours alone.

We are here to assist you and encourage you to be transparent and open with both us and insurers please advise us immediately if you become aware that the material information that you have supplied before the contract is finalised may have been incorrect or has been omitted.

#### 6. Financial Crime

UIBL have strict *anti-bribery and corruption* policies and procedures in compliance with regulatory rules and statutory law. It is integral to our relationship with you that you also have policies and procedures to ensure that acts of bribery do not take place. Any breach will entitle either party to serve immediate notice of termination of our Agreement.

Additionally UK *money laundering* regulations require us to obtain evidence of the identity of clients for whom we act. We will request the necessary information from you and seek further information if you request payment to be made to a third party. We are obliged to report, to the UK Serious Organisation Crime Agency ("SOCA"), any evidence or suspicion of money laundering at the first opportunity and we are prohibited from advising you of any such report.

#### 7. Quoting and Placing

We will seek to understand your requirements and keep you fully informed of progress at all stages of negotiations providing you with details of the terms indicated by insurers, including an indication of the likely premium cost. It is vital that you provide us with all relevant information and that you keep us informed of changes in material circumstances to enable us to properly represent your interests. Please refer to *Your Obligations* and *Duty to Disclose/Duty of Utmost Good Faith to Insurers*.

We will assume that when we receive instructions from you that the person so doing has the appropriate authority within your organisation.

## 8. Market Security

We check the financial strength ratings of the insurers with whom we place your business using the financial strength ratings provided by specialist rating agencies such as Standard & Poor's and A.M. Best. Occasionally, it may be necessary to seek from you specific written approval for use of a proposed insurer, for example where use of an insurer has been requested by you and where there is no applied rating from a rating agency.

We do not assess or guarantee the solvency of any insurer. In the event of any insurer's insolvency you may still have a liability to pay premium. You will also additionally have the responsibility for payment of premiums if you require replacement security. If an insurer who has granted risk transfer to UIBL becomes insolvent, any related premiums we hold for that insurer are deemed to have been paid to them and will not be returnable to you.

## 9. Evidence of Cover and Policy Documentation

We will promptly confirm cover to you in the form of a UIBL produced Evidence of Cover document, an insurance policy, a certificate of insurance, or a copy of the insurance contract (placing slip). It will confirm the basis of the cover, setting out the terms of the insurance and the names of the insurers with whom it has been placed and their respective signed lines.

You should examine the document sent to you carefully, to ensure that it is in accordance with your instructions. Should this not be the case, or if you require any clarification of the content, or if you are dissatisfied with the insurance security, you should contact us immediately. If we do not hear from you we will take this as your confirmation that the documentation is in order.

For some types of insurance cover, it is possible that a claim may be made under a policy long after its expiry date. It is therefore important you keep such documents safely. UIBL retain documents for business that we place on your behalf in electronic and/or paper format in line with market practice and/or regulatory requirements.

If you are a Retail Client a statement of demands and needs will be attached to the contract documentation. You should read this carefully. It will confirm whether the policy has been personally recommended and if so, the reasons for this. Before expiry of the policy (within no less than 21 days) you will be provided with renewal terms for reference purposes, or notified that renewal is not being invited.

## 10. Warranties, Subjectivities and Insured Values

Failure to comply strictly with any *warranties* contained in your policy will entitle the insurer to terminate your insurance contract from inception.

If any *subjectivity* in your insurance contract remains outstanding it may lead to the contract being invalidated or coverage prejudiced.

The *Insured Value* is important; in the event that you insure your property for less than its current replacement value, underwriters may apply average. For example if your insured values are 80% of replacement value you may only be paid 80% of your loss.

## 11. Payment of Premium Debit/Credit Notes

A Debit Note (invoice) will be sent to you which, in addition to any taxes or charges, will clearly show the total amount of premium due and the due date to the insurer. Premium should be submitted to UIBL in cleared funds in sufficient time to enable us to honour the payment terms to the insurers which must be at least 15 days prior to the due date or as stated on the debit note. If you do not think that you will be able to comply with any premium payment condition and/or warranty please contact us immediately.



Payment must be in the currency shown on the Debit Note. If you should pay in a different currency the converted funds will be applied against the amount due with any shortfall arising from the exchange differences remaining your liability.

A Credit Note will be issued where there are return premiums due to you and for the payment of a claim. You should not set debit notes and credit notes against each other. This is only permissible with prior written agreement, which may be by way of statement of accounts.

## 12. Methods of Payment

Our preferred method of payment is by direct transfer to our bank account. We will advise you our banking details and you are not to accept any changes to these details unless we notify them to you in writing in the form of a letter.

## 13. 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 or which we treat as client money in accordance with the FCA's client money rules. All client money is deposited with one or more approved banks and a list of these can be provided on request.

Where you do not wish your money to be passed to a particular bank, intermediary or jurisdiction, you should inform us in writing.

Client money is held in one of the following ways:

- (a) as your agent in a non-statutory trust in accordance with the FCA Client Asset sourcebook (CASS) which in the unlikely event of our company failure, is available to clients ahead of insurers and other creditors, or
- (b) as agent of your insurer(s) under agreements which allow for risk transfer, or
- (c) as agents of your insurer(s) where there is no risk transfer but where they have agreed for their funds to be co-mingled with clients monies in the non-statutory trust bank account and for the rights of those funds to be subordinated to those of our clients.

We are permitted, in the course of business, to use client money held on behalf of one client or insurer to pay another client's or insurer's premium or claim. We may also ask others to assist us in carrying out your instructions, such as lawyers, surveyors, other intermediaries and loss adjustors, which will necessitate the use of client money.

We may not, however, use client money to pay ourselves commissions before we receive the premium from the client, however, any interest earned on client money held by us and any investment returns will be retained by us for our own use.

## 14. Remuneration

For the services that we carry out on your behalf we receive brokerage/commission which is determined by insurers with whom we place your business or by a fee negotiated and agreed with you and sometimes a combination of both commission and a fee. In addition we may earn interest on the monies passing through our bank accounts, as agreed by our regulator. As this remuneration is earned on placement, we will be entitled to retain it in full even where a policy is terminated, amended or cancelled for any other reason, such as the appointment of another broker during the policy period.

We may also receive payments from insurers for certain consultancy, administrative and other services which we provide to them; this is not directly related to the services we provide to you but may indirectly be of benefit to you in the placement of your insurance.

You are entitled, at any time, to request information regarding any brokerage/commission that we may have received as a result of placing your insurance business.

## 15. Claims

You must notify us immediately of any incidents or circumstance that may give rise to a claim; providing us with all material information in order for us to assist you to comply with the terms of the insurance contract. Failure to do so may enable insurers to deny claims. If you have any doubt whether a matter or circumstance is required to be notified to insurers, or not, you should contact us immediately.

When you advise us of a claim we will provide you with a claims handling service as long as you remain a client of UIBL, and we will assist you in the submission of your claim to insurers. However if you cease to be our client, but request us to handle a claim on your behalf, we reserve the right to charge for our services.

In the event that you submit a claim or are due a return premium on a policy where one or more of the subscribing insurers has become insolvent or is delaying its settlements, we cannot and do not accept liability for the uncollected amounts. We will settle to you the amounts collected from the responding insurers and advise you of those insurers who have not paid and the amounts unpaid by them.

Claims payments will be made in favour of you or to any applicable claim payee stated under the original policy. If the claim is payable to you, but you require the payment to be made to a third party then this must be confirmed in writing and include bank details of the payee and be signed off by an authorised signatory of the company.

## 16. Complaints

We will comply with all relevant regulatory and statutory rules and requirements when transacting insurance business on your behalf. However, should you have any problem with the services that we are providing, or have provided, that you are unable to resolve with the individual handling the work; we have put in place a formal Complaints Procedure. All complaints should be addressed to the Chief Executive Officer or the Compliance Director by telephone at +44 (0)20 7488 0551 or in writing to United Insurance Brokers Ltd, 69 Mansell Street, London E1 8AN.

If we are unable to settle your complaint, you may be entitled to refer it to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR, or at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

## 17. Compensation

We are members of the Financial Services Compensation Scheme (FSCS). Certain personal and small business policyholders are 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.

Full details and further information on the scheme are available from the FSCS at 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU or at [www.fscs.org.uk](http://www.fscs.org.uk).

### **18. Data Protection**

We are registered under the UK Data Protection Act 1998 and we undertake to comply with the Act in all our dealings with your personal data. Your personal information will be kept secure.

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

These terms of business are not intended to nor do they confer a benefit or remedy to any third party, whether by virtue of the Contract (Rights of Third Parties) Act 1999 or otherwise. Further we may rescind or vary these terms of business as they apply to you, whether in the whole or in part without the consent of any third party.

### **20. Law and Jurisdiction**

These terms of business and our business relationship with you is governed by and construed solely in accordance with English law and subject to the exclusive jurisdiction of the High Court in London.





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# UIB

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