

# Terms of Business Agreement

## **How we are regulated**

BM Property Insurance Services Limited, 1551 Wimborne Road, Bournemouth, BH10 7AZ (Head Office).  
Tel: 01202 806161  
Email: flats@bmpi.co.uk

## **The Regulator**

The Financial Conduct Authority (FCA) is an independent watchdog that regulates financial services. Our FCA Registration number is 486343 and you can check our status and permissions at <https://register.fca.org.uk> or by contacting the FCA on 0300 500 8082.

## **Applicable Law**

This Terms of Business document is subject to English Law and the jurisdiction of English Courts.

## **Our Activities**

The FCA has authorised us to advice, arrange, deal in and assist with the placing and administration of all types of General Insurance policies. We are also authorised to undertake the following Consumer Credit Activities:  
Credit Broking

## **What type of Client am I?**

### **Commercial**

A commercial client is defined as someone who is arranging a contract of insurance for business purposes.

### **Consumer**

An individual buying insurance wholly or mainly for purposes unrelated to their trade, business or profession.

## **Our Service**

We can act both as agent of insurer, and on behalf of you, the customer. We have in place management controls to deal with any conflicts of interest that might arise. Unless we advise you otherwise, we are acting on your behalf.

We also act on behalf of insurers when collecting premiums under risk transfer (see "Money" section)

We will ask questions to enable us to assess reasonably your insurance requirements, this may include checking information that we already hold about you and your existing insurance arrangements with us and other parties.

We will confirm to you the level of service we are providing as part of our sales process. In all cases our service will include arranging and administering your insurance, including helping you with on-going changes.

If we use the services of another intermediary to place your insurance we will advise you of the name of the intermediary we use and the name of the insurer.

## **Insurers**

Dated 15/10/18

Whilst we take every care to check the financial stability of any firm with which we place business, we cannot be held responsible if that firm subsequently ceases to trade.

### **Our Product Selection (Fair Analysis)**

We offer products from a wide range of insurance companies.

Our selection usually involves presenting to a reasonable number of insurance companies that will insure for the risk at hand, and this is called a fair analysis of the market.

### **Our Product Selection (Panel)**

We only offer products from a panel of insurers that we have selected as appropriate for the cover you require. You may request details of the panel we have used.

### **Our Product Selection (Limited)**

Sometimes we may only approach two or three insurers or in some cases, we may only approach one insurer, in either case, we will tell you the basis as part of our selling process. You can also request a list of the companies that form the Panel we have approached.

### **Treating Customers Fairly**

It is our intention at all times to treat customers fairly. If at any time you feel that you have not been treated fairly please contact us at 1551 Wimborne Road, Bournemouth, BH10 7AZ , or by telephone on 01202 806161 in order that the matter may be addressed.

### **Claims**

As part of our service we can assist you with any claim you need to make. When you first become a customer we will give you details of how you can make a claim and tell you what your responsibilities are in relation to making claims. If you are ever in any doubts as to what action to take in the event of a claim, please contact us.

### **Confidentiality and Data Protection**

We will exchange the information that you provide to us with insurance companies and other brokers or agents for the purposes of obtaining quotations and arranging cover, this may result in a credit check to confirm your identity and minimise the risk of fraud. We will treat all information as private and confidential, and in strict accordance with the Data Protection Act 1998 (DPA), even when you are no longer a customer and only share information if we are required to do so by law, or regulation.

Under DPA, you have a right to a copy of any personally identifiable information about you that we hold in our records, you can obtain details by writing to us at the Head Office address. A nominal charge might apply in providing the information to you.

We will, in addition use information for marketing similar products or services by us and carefully selected companies. Contact may include SMS text, post, telephone or e-mail. **If you do not want us to use your information in this way, please let us know.**

### **Credit Checks and Data Base Searches**

When assessing your application for insurance, insurers may at inception, or renewal of a policy use publicly available data which they obtain from a variety of sources, including credit reference agencies and other external organisations. Their search will appear on your report whether or not your application proceeds.

## **Claims and Underwriting Exchange Register and Motor Insurance Anti-Fraud Register**

Insurers pass information to the Claims and Underwriting Exchange Register operated by Database Services Limited and the Motor Insurance Anti-Fraud Register compiled by the Association of British Insurers. The objective is to check information provided and to prevent fraudulent claims. Motor insurance details are also added to the Motor Insurance Database operated by the Motor Insurers' Centre (MIC), which has been formed to help confirm who is insured to drive. In the event of an accident, this database may be used by insurers, MIC and your motor insurer to identify relevant policy information. Other insurance related databases may also be added in the future.

## **Money**

We will hold money that you pay to us in accordance with the regulators rules or under a risk transfer agreement with insurers. This will include holding your money in the following way.

**A Statutory Trust client bank** account that only allows us to use the money held in trust on behalf of a customer for paying that customer's premium to an insurance company and to pay premium refunds or claims we receive from that insurance company to the customer, once the premium has been received from that insurance company. We cannot use that customer's money to pay another customer's premium or refund. We do not pay any interest on premiums held by us in the course of arranging and administering your insurance, unless, in the case of consumer transactions we receive more than £20 per transaction, and then we will ask for your permission to retain the interest. Unless you tell us otherwise, you are consenting to us holding your money in this way. **By holding your money in this way, means that in the event that this firm becomes insolvent your money remains protected.**

In arranging your insurance we may employ the services of other intermediaries who are regulated by the FCA and your premium may be passed to these intermediaries for payment to insurers. These firms are also required to hold clients' money in a separate trust account. We will also inform you if at any time we are required to pass your premium to firms that operate outside the UK where the protection may be different. Should you not wish us to pass premiums to a firm outside the UK, please inform us.

## **Our Remuneration**

We usually receive a commission from the insurance provider with whom we place your business, and in such a case, the commission will be paid to us either when we are in receipt of cleared funds from you (or the premium finance company, if one has been used) or, when the insurer has received cleared funds from us in respect of the premium due under your policy. The individual agreements we have with each insurer will determine which of the two methods above is used to make this transfer of commission. We also receive commission for arranging finance agreements for the payment of insurance premiums and this is usually expressed as a percentage of the individual loan and is paid to us directly by the premium finance provider. We may also receive a commission or fee for passing introductions to other professional firms.

In addition, we may also charge you a fee for arranging your insurance and full details will be provided to you at outset.

## **Information on Costs**

In addition to the premiums charged by insurers, we may charge a professional fee to cover the placing and on-going handling of your insurance. The specific amount and purpose of any professional fee and administration charges will always be advised to you in advance.

## **Disclosure of Earnings**

You are entitled at any time, to request information regarding earnings that we, or any other intermediary we have used, receive as a result of placing your business. In addition to commission from insurers, we may also receive payments based on volumes of business or profitability of the account placed with them. These payments can vary from year to year. Such remuneration is only earned on the basis that it does not detract from our obligation to act in our client's best interest at all times.

Dated 15/10/18

## **Payment Options**

We will provide you with full details of all the payment options available to you when we provide you with your insurance premium.

If you choose to enter into a finance arrangement, your details will be passed to a third party (insurer or lender) to enable them to contact you and you should contact us at the address given in this document if you do not want your details passed to that party. This finance arrangement will be subject to interest charges that we will confirm to you when providing the full details. Importantly, the arrangement you will enter into will be with the finance company not us. It is an entirely separate contract from the insurance contract. In the event of your failure to meet with the contractual obligations regarding payment the finance provider could approach the insurer to seek a termination of the insurance contract to recoup their outstanding finance arrears. You will be liable to pay their costs and charges if you do not keep up your repayments and cover is cancelled under your policy. This is because the agreement is between you, the policyholder and the finance company direct, not us or the insurer.

It is important that you read the finance agreement that is sent to you before you agree to enter into such an agreement.

We do not charge any fees to you for introducing you to a credit provider.

If you are a consumer as defined under the Consumer Credit Act, you will have the benefit of a 14 day cooling off period.

**Please note: Your policy cover will cease if you fail to keep up payments on an instalment agreement or premium finance facility related to it.**

## **Payment Terms**

We normally accept payment by cheque, BACS or credit/debit card. You may be able to spread your payments through a credit scheme either run by your insurer or by a financial provider and we will advise you if these options are available.

## **Unpaid Premiums**

Where we have been unable to collect a premium payment due for insurance cover provided, we reserve the right to appoint a debt recovery agent to recover monies due to us. All cost incurred, including any court fees, will be passed to the debtor for reimbursement.

## **Mid-term adjustments or cancellations**

In the event of an adjustment that results in a return premium or cancellation mid-term we will refund the premium due net of our full commission and any charge made by insurers. Where the premium is being paid by instalments we will claim our full commission along with any charge made by the insurers in the calculation of any outstanding monies.

## **Cancellations due to premium instalment default**

If any credit agreement payment is not met, you acknowledge and agree that we may instruct on your behalf the relevant insurer to cancel the insurance and to collect any refund of premiums which may be made by the insurer and use it to offset any outstanding costs. In the event of enforced motor policy cancellation of a Public or Private Hire policy, we may decide it is in the public interest that the relevant authority (Local Council Licensing Department, Policy Vehicle Inspectorate, etc.) are advised that a policy has been cancelled or will be cancelled on a specific date.

Dated 15/10/18

### **Your Right to Cancel (Applicable to Consumers only)**

Please contact us if you wish to cancel any policy that we have arranged for you. Consumers will usually have a legal right to cancel policies for any reason, subject to no claims having occurred, within 14 days of receiving the full terms & conditions. You will always be advised where this right applies. A charge may apply for the period of cover provided.

### **Duty of Disclosure**

Your insurance is based upon the information provided to the insurance company.

### **Commercial Clients**

The new Insurance Act, effective from 12th August 2016 states you must present the risk (i.e. the subject matter of the proposed insurance) fairly. This means that you must disclose to insurers, before the setting up or renewal of your insurance policy is concluded, anything that might influence the judgement of an insurer in fixing the premium, setting the terms or determining whether they would take the risk. If you are uncertain whether anything is material, you should disclose it.

In order to identify what must be disclosed, you are obliged to carry out a reasonable search before presenting the risk to insurers. This includes (but is not limited to) consulting with all senior managers. A senior manager is anyone who plays a significant role in the making of decisions about how your activities are to be managed or organised, regardless of whether or not that individual is a member of your board or is formally in a management role. You must also consult with anyone who has particular knowledge about the risk to be insured.

If you deliberately or recklessly (i.e. without care) fail to comply with your obligations to present the risk fairly, insurers may void the policy. This means they can retain all premiums and treat the policy as if it never existed and refuse to make any claims payments. You could also be obliged to repay any claims payments that had already been made. If you fail to present the risk fairly, but your failure was neither deliberate nor reckless, insurers' response will depend upon what would have happened if you had complied with your obligations:

- If insurers would not have provided the policy, they may treat the policy as if it never existed, refuse to make any claims payments and demand the return of any claims payments already made. However, insurers would have to return any premium payments already made;
- If insurers would have provided the policy but on different terms, the policy will remain in force but will be treated as if those different terms applied from the start of the policy. This could result in a claim not being met in part or in full;
- If insurers would have provided the policy but charged a higher premium, insurers may reduce any payment in proportion to the difference between the premium charged and the premium that would have been charged if you had fairly presented the risk. This could result in a significant reduction to the amount of any payment under the policy.

All statements and facts disclosed on proposal forms, statement of facts, claim forms and other documents should be full, true and accurate and must be given after undertaking a reasonable search, including consulting with your senior management. Where forms are completed on your behalf you must check them for accuracy and completeness before signing them. You must always read the declaration and make sure you understand it before you sign.

### **Consumer Clients**

You must take reasonable care to answer all questions fully and accurately. Once cover has been arranged, you must immediately notify us of any changes to the information that has been provided to your insurers. Failure to provide accurate and up to date information may invalidate your insurance cover and mean that a claim may not

Dated 15/10/18

be paid.

All statements and facts disclosed on proposal forms, statement of facts, claim forms and other documents should be full, true and accurate. Where forms are completed on your behalf you must check them for accuracy and completeness before signing them. You must always read the declaration and make sure you understand it before you sign.

### **Your Instructions**

We will endeavour to act in accordance with your reasonable instructions. If we are not substantially able to achieve what you want us to achieve or if it is not possible to achieve what you want then we will tell you.

You may instruct us by fax, by e-mail, by telephone or during face to face meetings. We cannot guarantee that your instructions have been received unless we have acknowledged them in writing. We reserve the right to refuse instructions but, if we do, we will inform you. Communications using the internet are not completely secure and may spread harmful viruses. If you would prefer us not use e-mails you must inform us.

Please note that office hours are Monday to Friday, 9.00am to 5.00pm. The office is not open for business on statutory ("Bank") holidays. There may be delay in responding to instructions if they are received outside of office hours.

### **Complaints**

Our aim is always to provide our customers with a first-class service; however we are aware that, occasionally, it is possible that we may fail to meet your expectations. If for any reason we have not met your expectations, let us know as soon as possible, by calling our main office telephone **01202 806161**, or write to **Complaints Manager at 1551 Wimborne Road, Bournemouth BH10 7AZ** or email **flats@bmpi.co.uk**

If we are unable to resolve the issue to your satisfaction by the end of the next business day, we will formally investigate the matter. You will receive an acknowledgement of the matter together with a copy of our complaints process promptly and certainly within 5 working days. We will then aim to investigate and provide a resolution as quickly as possible, informing you of a final response no later than 8 weeks.

If you are not happy with our response, or the position after a period of 8 weeks, you may be eligible to refer your complaint to the Financial Ombudsman Service (FOS) for an independent assessment and opinion.

The FOS Consumer Helpline is on 0300 123 9123. You write to them at Financial Ombudsman Service, Exchange Tower, London, E14 9SR. [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk) you can email them at [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

A full copy of our complaints procedure is available on request.

### **Financial Service Compensation Scheme (FSCS)**

If we are unable to meet our obligations, you may be entitled to compensation from the FSCS. If we have advised or arranged insurance for you this will be covered to 90% of a claim, without any upper limit, however claims under compulsory insurance, professional indemnity insurance and certain claims for injury, sickness or infirmity of the policyholder are protected at 100%. Further information is available from the FSCS helpline on 0800 678 1100 and [www.fscs.org.uk](http://www.fscs.org.uk)

The FSCS is the UK's statutory fund of last resort for customers of authorised financial services firms. Compensation is usually payable if an authorised firm is unable or unlikely to pay claims usually because it has ceased trading or become insolvent.

Dated 15/10/18