

Clear Insurance Management Limited – Terms of Business

173 Kingston Road, New Malden, Surrey KT3 3SS

This document is effective from 1st May 2011. Please read it carefully. It sets out the terms upon which we agree to act for our clients and contains details of our regulatory and statutory responsibilities. It also sets out some of your responsibilities. Please contact us immediately if there is anything in these Terms of Business which you do not understand or with which you disagree.

About Our Company

Clear Insurance Management Ltd is an independent insurance broker, authorised and regulated by the Financial Services Authority (FSA) to transact general insurance business. Our FSA Registration number is 307982 which you can check on the FSA's Register online at www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234. We are also members of the British Insurance Brokers' Association (BIBA) and Brokerability.

Our Products and Service

As an independent insurance broker we have access to a wide range of insurance products from many leading insurance companies and Lloyd's underwriters. For personal insurances, unless we advise otherwise, we select products from a limited range of insurers, whose names are available on request. We use a single insurer which we have identified as being suitable for legal expenses used with motor and household business. For business insurances we will inform you at inception and renewal how we made our product selection and the capacity in which we are acting. The services we provide (the Services) are as follows:

- Advice on risk exposure and insurance needs.
- Arranging cover to meet your demands & needs.
- Help with ongoing changes to your insurance.
- Assistance on claims made on insurance policies we have arranged.

For certain types of insurance we are also authorised to issue policy documentation and/or certificates on behalf of the insurers. Unless you tell us otherwise, we will act on the understanding that we have your authority to agree to insurance policy wordings on your behalf.

Our Remuneration

We are paid for our services either by commission from insurers or fees from clients, or a combination of the two. Some insurers pay us for work we undertake on their behalf or for the volume or profitability of their accounts. We may also receive a commission from premium finance companies. Prior to the conclusion of each insurance contract, or upon renewal, we will remind you of your right to be advised of the level of commission we receive. You may at any time, request information regarding any commission which we may have received as a result of placing your insurance business.

Methods of Communication

We will normally communicate with you by post, telephone and, where available, fax or e-mail, in addition to any meetings we may have with you. Please let us know if you would prefer not to receive communications by any particular medium. Please note that calls may be recorded for training and monitoring purposes.

Documentation

Our aim is to produce documentation and correspondence in a clear and understandable format. In the event of any uncertainty let us know immediately. Our staff are always happy to clarify the cover provided. You should check all policy documentation to ensure the details are correct and the cover provided meets with your requirements. Any errors should be notified to us immediately. All policies contain conditions and exclusions and some contain warranties and excesses. It is your responsibility to examine the document to familiarise yourself with these. A breach of a policy condition may result in non-payment of a claim and breach of a warranty may invalidate the cover if it is not complied with precisely. We recommend that you keep policy documents for as long as a claim is possible under the policy.

Data Protection and Confidentiality

We may use your information to keep you informed by post, telephone, e-mail or other means about products and services which may be of interest to you. Your information may also be retained and used in this way if you cease to become a client of Clear Insurance. If you do not wish your information to be used for these purposes please write to us accordingly. All information provided by our clients is treated as confidential and only disclosed in the normal course of negotiating, arranging and administering your insurance. This may include disclosing information to agents and service providers such as loss adjusters and approved contractors. With a few exceptions, for example information requested by a court, a regulatory body, or information which is already in the public domain, we will not release information to any other party without your consent. We are registered under the Data Protection Act 1998 and undertake to comply with the Act in all our dealings with personal data.

Disclosure

You are responsible, on an ongoing basis, for providing us and/or your insurers with all material facts relating to the insurance covers we arrange on your behalf. Material facts are those which are likely to affect the assessment and acceptance of risks being insured. Failure to provide full and accurate information may mean that your cover is invalid. If you are in any doubt as to what facts are considered to be material then you should disclose them to us or your insurers. It is very important that information given in proposal forms, claim forms and declarations to insurers is correct. If a form or declaration is completed on your behalf, it is your responsibility to check that the answers given to all questions are true and complete. You are advised to keep copies of any correspondence you send to us or direct to your insurers.

Fees and Charges

When you take out or renew a policy with us we may charge an Administration Fee in addition to the insurer's premium. When we do so, we will tell you the amount of the Fee before you are committed to paying it and show it clearly on our documentation. No fees are payable in relation to any optional extra products which are purchased in conjunction with your main policy. For private motor insurance we charge an Administration Fee of £10 for any mid-term alterations to your policy. An Administration Fee of £20 may also be levied if a cheque payment for premiums due fails to clear through the banking system. In the event of a policy being cancelled mid-term, and not replaced by another policy, we reserve the right to retain the commission earned on the original transaction.

Methods of Payment

We normally accept payments by cheque, credit or debit card or by bank transfer. To pay by credit or debit card please click on the secure 'Make Online Payment' button on our website (www.thecleargroup.com); alternatively you may telephone us with your details. Payment by instalments will normally be arranged with specialist premium finance providers (please note that we act independently of any particular provider). We will give full information about premium payment options when we provide quotations and at renewal.

Credit Assessments

To comply with Consumer Credit legislation, providers of personal credit are required to carry out affordability assessments before making loans. This means that whenever we are asked to arrange personal premium finance, we will pass your name address and date of birth to the finance provider to enable it to carry out an assessment. In assessing your application the provider may search information held by a credit reference agency. Please note the credit reference agency will add details of the search and your application to their records, whether or not your application proceeds.

Limitation of Liability

Our liability to you in connection with the Services described in these Terms of Business is limited to a total of £10m. We will only accept liability for wrongdoings which result from a breach of our contractual obligations to you, our negligence, a breach of our professional duty, or our breach of trust. We do not accept liability for losses which are: (i) contributed to by your own negligence (ii) due to your failure to provide information we have reasonably requested about your insurance risks, or (iii) not a reasonably foreseeable consequence of our actions. Notwithstanding the above, we place no restriction on our liability to you for: (i) death or personal injury caused by our negligence (ii) fraud or fraudulent misrepresentation or (iii) a breach of our statutory or regulatory obligations.

Making a Claim

Many insurers provide a 24-hour Helpline in respect of claims and you should consult your policy documentation for contact details. Please ensure that you report all incidents that could give rise to a claim as soon as you become aware of them, either by contacting your insurer on their helpline or by telephoning us. You will be advised if you need to complete a claim form or produce documentation to support your claim. In certain circumstances late notification may result in your claim being rejected. Where the claim involves damage to your property, please do not (a) Dispose of damaged items and/or (b) authorise repair work (except in an emergency or to prevent further damage) until you are advised otherwise. If your claim involves damage or injury to a third party, please pass copies of all correspondence, including solicitors' letters, to us immediately and unanswered. Any attempt to negotiate or respond to the incident without prior reference to your insurers or us might prejudice your cover. If we act on behalf of an insurer, not you, in negotiating and settling claims we will inform you at the point of the claim. You should be aware that a claim arising after renewal of the policy has been invited might affect the assessment and acceptance of renewal by your insurers.

Handling Client and/or Insurer Money

We hold client money collected for onward transmission to the insurer, return premiums and credits in a Client Bank Account under a Non-statutory Trust in accordance with FSA rules. The Deed of Trust permits us to use the trust account to make advances of credit from time to time to our clients, in order to fund their premiums, subject to strict conditions. In dealing with us you agree to our holding client money in this way. A copy of the Deed of Trust is available on request. For some transactions, client money may pass through other authorised intermediaries before the insurer receives it. Where we collect or hold money as agent of the insurer we may also hold that money in the same Client Bank Account. Client money will be deposited with one or more approved banks, a list of which is available on request. Please notify us immediately if you do not wish us to use any bank on this list. Interest will not be paid to clients for money held in a Client Bank Account.

Quotations

Unless stated otherwise in our documentation all quotations provided for new insurances are:

- valid only for a period of 30 days from the date of issue
- subject to satisfactory completion of a Proposal Form or a signed and dated (a) Client Declaration or (b) Statement of Facts.

You should be aware that quotations may change or be withdrawn if the information given to us or your insurers in Proposal Forms or Declarations differs from that provided at the time the quotation was issued. In order to source competitive quotations and offer you appropriate payment options we may use public and personal data from a variety of sources, including a credit reference agency. If we undertake a credit check, we will only do so after obtaining your prior consent. Please note that our search will appear on your credit report whether or not your application proceeds.

Statutory Cancellation Right

If you take out a personal insurance policy through us which lasts for more than one calendar month, you will have a right to cancel the cover up to 14 days from the later of:

- The policy start date or the date you receive full policy documentation from us or your insurers
- The renewal date or the date you receive full renewal documentation from us or your insurers

Should you decide to exercise the Cancellation Right you will be entitled to a refund of premium less an appropriate pro rata charge for the period of cover given before the cancellation right was invoked. If the premium has not been paid, a charge may be made for the period of cover given prior to the exercise of the Cancellation Right. Should any claim occur prior to the exercise of the Cancellation Right where the claim terminates the insurance cover, your insurers may not allow a refund of any of the premium. If this Cancellation Right is not exercised within the 14-day period as stated above, and you decide to cancel the policy at a later date, the refund will depend upon the cancellation terms of your insurance policy. To exercise the Cancellation Right you should contact us, or your insurers at the address shown on your policy.

Changes to Your Cover

We will normally deal with requests to increase or amend cover on the day your instructions are received, or the next working day if a weekend or public holiday. Sometimes changes cannot be processed without obtaining additional information and, if so, we will contact you as quickly as possible. We will confirm changes to your policy, once agreed, in writing. We will also advise you of any extra premiums you must pay or premiums we must return to you. Refunds of less than £25 will be held to your credit and offset against future premium payments unless you specifically request otherwise.

Receipt of Instructions

We do not consider instructions to arrange or change cover which are sent to us by post, electronic mail, or facsimile, or left on answering equipment, to have been received until they reach the relevant personnel in our offices. We do not accept responsibility for instructions which do not reach us at all or are delayed due to failures in the postal, electronic or telecommunications systems. We do not consider instructions sent by text message to have been received until we have responded to the specific message.

Settlement Terms

You are responsible for the prompt settlement of insurance premiums so that we can make the necessary payments to your insurers. We have no obligation to fund any premiums on your behalf and cannot be held responsible for any loss which you may suffer as a result of a policy being cancelled or otherwise prejudiced due to the late payment of a premium where the delay is attributable to you.

Transferred Business

If we take over the servicing of insurance policies which were originally arranged through another insurance broker or intermediary or directly with an insurer we do not accept liability for any claim arising out of the advice given by that broker, intermediary or insurer, nor for any errors, omissions or gaps in your current insurance protection. Please contact us without delay should any aspect of a policy which has been transferred to us cause you concern or if you need an immediate review. Otherwise we will endeavour to review all transferred policies as they fall due for renewal.

Conflicts of Interest

As independent insurance brokers we act as the agent of our client. We are subject to the law of agency which imposes certain duties on us. We also have proper regard for the interests of others, including insurers for whom we also act. Where we become aware of any actual or potential conflict of interest we will inform you of the situation, the options available to you and obtain your consent before we carry out your instructions.

Complaints Procedure

We recognise the importance of service and set ourselves high standards. Should there be an occasion when we do not meet your expectations we are equally committed to dealing with any complaint in a thorough and professional manner. If you wish to make a complaint please contact us in writing, addressed to The Compliance Officer at the address shown below, or by telephone to 020 8329 4900. If you cannot settle your complaint with us you may be entitled to refer it to the Financial Ombudsman Service.

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 90% 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 details about compensation scheme arrangements are available from the FSCS.

Termination of Authority

You may terminate our authority to act on your behalf with 14 days' written notice or as otherwise agreed without penalty. Notice of this termination must be given in writing and will take effect from the date of receipt. Termination is without prejudice to any transactions already initiated which will be completed according to these Terms of Business unless otherwise agreed in writing. You will be liable to pay for any transactions or adjustments effective prior to termination and we will be entitled to retain any and all fees or brokerage payable in relation to policies placed by us prior to the date of termination.

Cancellation of Policies

If you wish to cancel your policy in circumstances other than as described in the section headed Statutory Cancellation Right, you may be entitled to a refund of part of your premium as long as no claims have occurred during the time you have been on cover. The refund due may not necessarily be proportionate to the remaining period of cover. Additionally you should note the following:

- Insurers do not normally allow refunds in cases where a minimum and deposit premium has been charged
- Cancellation may not be possible until you return your certificate of insurance to us or your insurers
- Cancellation of a direct debit does not necessarily cancel a policy and any balance of premium owing may be requested by the insurers.

When your policy ends or is cancelled, we will send you any documentation and information to which you are entitled on request.

Insurer Security

Whilst we monitor the financial strength of the insurers with whom we place business it should be noted that the claims-paying ability of even the strongest insurers could be affected by adverse business conditions. We cannot, therefore, guarantee the solvency of any insurer or underwriter. A liability for the premium, whether in full or pro rata, may arise under policies where a participating insurer becomes insolvent.

Law and Jurisdiction

These Terms of Business shall be governed by and construed in accordance with English Law. In relation to any legal action or proceedings arising out of or in connection with these Terms of Business we both irrevocably submit to the non-exclusive jurisdiction of the English courts.