

hamilton  
fraser  
insurance

terms of  
business  
agreement



**Hamilton Fraser Insurance Terms of Business Agreement: Please keep this document safe. Payment of your premium constitutes acceptance of these terms; however, please contact us if there is anything you are not clear on.**

The following Terms of Business Agreement sets out the basis on which HFIS plc trading as Hamilton Fraser Insurance will provide business services to you as a consumer or commercial client of the firm.

It is important to remember that we must be able to identify customer type and be able to distinguish between:

- **Consumers** - individuals acting outside their trade, business or profession, and
- **Commercial Customers** - customers who are not regarded as consumers

Regulations differ between these two customer types; if we are in any doubt about whether you are a consumer or commercial customer, we will treat you as a consumer.

These terms will remain in force and shall apply to any business product provided to you now or at a future date. Should the firm change any of its business terms at a future date, these terms will be reflected on our website [www.hfis.co.uk](http://www.hfis.co.uk) and existing clients will also be advised in writing.

#### **Information about our Regulatory Status**

Hamilton Fraser Insurance is an independent general insurance brokerage. We are authorised and regulated by the Financial Services Authority (FSA). Our permitted business is advising on, arranging, dealing in, and assisting in the administration and performance of non-investment insurance contracts. Our FSA Register number is 306513. These details can be checked on the FSA's Register by visiting the FSA's website [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register) or by contacting the FSA on 0845 606 1234.

We are required to comply with the FSA Regulations relevant to an insurance intermediary. These include the following:

- A firm must conduct its business with integrity, and pay due regard to the interests of its customers and treat them fairly.
- A firm must conduct its business with due skill, care and diligence.
- A firm must pay due regard to the information needs of its clients and communicate information to them in a way which is clear, fair and not misleading.
- A firm must manage conflicts of interests fairly, both between itself and its customers and between a customer and another client.
- A firm, which holds client money, has to meet certain specified conditions.
- A firm must take reasonable care to establish and maintain such systems and controls as are appropriate to its business.
- A firm must maintain and keep up to date a list of the insurance undertakings it selects from and be able to provide a copy of this list in a durable medium to a customer on request.

**Please read this document carefully.** It sets out the terms on which we agree to act for our clients and contains details of our regulatory and statutory responsibilities.

We specifically draw your attention to the following sections:

- Client Money
- Segregation of Designated Investments
- Interest on Client Money

Please contact us immediately if there is anything in these terms of business which you do not understand or with which you disagree. We will be happy to answer any questions and will be willing to explain these terms, and the reasons for them, to you.

#### **Relationships**

As independent insurance intermediaries we act as the agent of our client. We are subject to the law of agency, which imposes various duties on us. However, in certain circumstances we may act for and owe duties of care to other parties. We will advise you when these circumstances

occur so you will be aware of any possible conflict of interest. Hamilton Fraser places business with a number of Insurers which are chosen by us as being of a reputable standing, providing a quality level of service and policy cover, and not on pricing issues alone. A list of these insurers is available on request.

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.

Upon receipt of your instructions we will place insurance with insurers, and keep you informed of the progress of our negotiations.

We will advise you of any inability to place your insurance.

### **Security**

We **do not** guarantee the solvency of any insurer we place business with.

A liability for the premium, whether in full or pro rata, may arise under policies where a participating insurer becomes insolvent.

### **Policy Documentation**

Our policy documentation will be issued in a timely manner. This will normally be within five business days of the contract of insurance being concluded but can be subject to longer periods depending on when we receive documents from insurers.

Your policy documentation will confirm the basis of the cover, give details of the insurers, and be accompanied by a policy summary and an invoice. The dates that the premium is due, together with any penalties, will be clearly shown.

Prior to the conclusion of the contract we will provide you with a statement of demands and needs. You should read this carefully. It will set out our understanding of your demands and needs and confirm whether the contract has been personally recommended and, if so, the reasons for making that recommendation.

You will be provided with renewal terms in a durable medium no less than 21 days before expiry of the policy. Attached to the renewal terms will be a statement of any changes to the terms of the policy, and changes to directive-required information (information required under the EU Directives), statement of price and information about cancellation. Depending on the complexity of your insurance contract, renewal terms may be subject to delays outside of our control.

You will be given an explanation of any changes, where necessary and in good time, which may appear in your policy and you will be advised of your right to request a new policy wording.

If renewal is not being offered you will be notified no less than 21 days before the expiry of the policy, or as soon as we are advised by your insurer, whichever is the longer. Mid-term changes to your policy will be provided in good time, prior to the change taking effect wherever possible. It is our policy to retain documents for business effected on your behalf in electronic or paper format. In respect of insurance cover the period is up to two years and for financial matters the period is up to seven years after any cover has ceased.

For some types of insurance cover it is possible that a claim may be made under a policy long after its expiry date and it is therefore important you keep such documents safely.

### **Claims**

You must notify us as soon as possible of a claim or circumstances that may give rise to a claim.

In the event of a claim you should contact our claims department.

You should have available your policy number and as much information as possible about the event that you wish to claim for.

We will remit claims payments to you as soon as possible after they have been received from your insurers.

We will provide you with as much assistance as we can in submitting a claim to your insurer, including interpretation of your policy wording, and seeking reimbursement for you. However in the event that an insurer becomes insolvent, or delays in making a settlement, we do not accept liability for any unpaid amounts.

Hamilton Fraser takes no responsibility for fraudulent claims submitted by you and any action taken by the insurer against you.

#### **Duty of Disclosure to Insurers**

You must disclose to insurers, before the contract is concluded, any fact or circumstance which is known to you (or which ought to be known to you) in the ordinary course of your business and which is material to the risk. A fact or circumstance is material if it would influence the judgement of a prudent insurer in fixing the premium or determining whether he would take the risk. Should you not act with the utmost good faith, or fail to disclose any material fact or circumstance to insurers your insurer may avoid the contract and leave you without insurance cover.

#### **Premium**

You must provide the premium due in cleared funds in accordance with the amounts and payment dates specified in our invoice. Failure to meet the payment date may lead to insurers cancelling your policy thus leaving you without insurance cover.

Where insurers have specified that the premium must be received by a certain date, failure to comply can result in the automatic termination of your insurance contract.

#### **Remuneration**

- A full statement of our fees is shown below.
- A placing fee may be charged in addition to the premium required by your insurers. If a fee has been applied this will be clearly stated on your Quotation and subsequent Invoice
- Anything that is not a premium, or premium tax, is considered to be a fee.
- Any commission that is due to us is payable to us by the Insurer out of the premium that we collect from you on their behalf.
- Our remuneration may be as a fee, or as commission percentage of the insurance premium paid by you and rebated to us by your insurer, or by a combination of both.
- In addition to client fees and/or commission payments we may receive remuneration by way of administrative fees or commissions for services proved to underwriters. We may also act as reinsurance brokers to underwriters with whom we have placed insurance, or reinsurance.
- We will disclose our commission remuneration to you upon request.

#### **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. A copy of these rules is available on request.

Client money can be held in one of the following ways:

- a. It can be held in a designated and segregated bank account subject to Risk Transfer arrangements that we have with specific insurers.
- b. It can be held in a designated and segregated bank account subject to a Non-Statutory Trust.
- c. It can be held in a designated and segregated bank account subject to a Statutory Trust.

#### **Risk Transfer**

If your monies (premiums etc) are to be held by us in accordance with paragraph (a), in other words the monies will be held subject to Risk Transfer arrangements that we have with specific insurers, we will notify you of this fact in a covering letter.

There are two elements to Risk Transfer:

- The risk that, when you pay your premium to us, that premium may not reach the insurer, and

- The transfer of that risk from you, the customer, to the insurer, so that in the event of us (hfs) not being able to pass your premium on to your insurer, it is your insurer rather than you that will bear the loss.

In the absence of such a notification from us, it will mean that we intend to hold your money in accordance with paragraph (b) above, in other words the monies will be held subject to our Non-Statutory Trust arrangements.

### **Non-Statutory Trusts**

The aim of the Non-Statutory Trust is to protect the client in the event of the failure of the firm, or the failure of the bank or a third party at which 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.

The fact that we will hold money on trust gives rise to fiduciary duties that will be owed to you until the client money reaches the insurer or product provider.

When we hold client money subject to a Non-Statutory Trust it means that we are entitled to and may use client money held on behalf of one client to pay another client's premium before the premium is received from that other client, and to pay claims and premium refunds to another client before we receive payment from the insurer. However, we are not entitled to use client money to pay commissions before we receive the relevant premium from the client.

### **Statutory Trusts**

The aim of the Statutory Trust is also to protect the client in the event of the failure of the firm, or the failure of the bank or a third party at which 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.

However, when we hold client money subject to a Statutory Trust it means that we are not entitled to use client money held on behalf of one client to make advances of credit to other clients, or to pay another client's premium, claim settlement or any refund of premium. Instead, the monies are held specifically on behalf of one client only.

#### **Please Note:**

Unless we have advised you in a covering letter that Risk Transfer applies as described in paragraph (a) above, we will be holding your money in accordance with this paragraph (b), i.e. in a Non-Statutory Trust. By accepting these Terms of Business you are giving your consent for us to operate in this way. If you are not in agreement with this arrangement, you must advise us of this fact within 14 days of receipt of this Terms of Business Agreement and we will arrange for your money to be held in accordance with paragraph (c) arrangements, i.e. in a Statutory Trust.

### **Segregation of Designated Investments**

We keep client money separate from our own money. As explained above, we may do this by paying it into one of the designated client bank accounts. However, we may also do this by arranging to hold separately permitted designated investments with a value at least equivalent to the money that would otherwise have been paid into a client bank account. If we do this we will be responsible for meeting any shortfall in our client money resource that is attributable to falls in the market value of a segregated 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 for our own use, rather than paid to you.

### **Payment to Third Parties**

We may transfer client money to another person, such as another FSA Authorised Intermediary (broker) or settlement agent, for the purpose of effecting a transaction on your behalf through that person.

This may include brokers and settlement agents outside the UK. The legal and regulatory regime applying to a broker or settlement agent outside the UK may be different from that of the UK and, in the event of a failure of the broker or settlement agent, this money may be treated in a different manner from that which would apply if the money were held by a broker or settlement agent in the UK.

You may notify us if you do not wish your money to be passed to a person in a particular jurisdiction.

#### **Cancellation Clause**

Your insurance contract may include a cancellation clause. A cancellation clause is mandatory for all consumers. In the event that you fail to pay your premium by the due date the insurance may be cancelled forthwith, or by insurers giving notice of the cancellation. In the event of cancellation of the insurance contract, insurers may return a pro rata premium to us.

Once our remuneration has been earned, in the event that the insurance is cancelled after inception, our fees or commission will not usually be returnable.

#### **Cancellation of this Agreement**

Our agreement may be terminated by one of us giving 30 days' notice in writing to the other. In the event that you terminate our services we will be entitled to receive any fees or brokerage payable.

#### **Complaints Procedure**

Our aim is to provide a first class standard of service to all our Clients and to do everything we can to ensure that you are satisfied. However if you ever feel that we have fallen short of this standard and that you have cause for complaint, please contact The Business Delivery Director

- In writing at: Hamilton Fraser Insurance, Kingmaker House, Station Road, New Barnet, Hertfordshire, EN5 1NZ
- By telephone at 0845 310 6300 or by facsimile at 0845 310 6301
- By email at: [complaints@hfis.co.uk](mailto:complaints@hfis.co.uk)

Upon receipt of a complaint we will:

- Deal with all complaints in the manner prescribed by the FSA.
- Treat all complaints seriously and investigate the matter fully.
- All complaints will be advised to the appropriate Director who will allocate an employee of sufficient competence to deal with the complaint and advise you of their name and status.

The timescales for dealing with a complaint are as follows:

- If the complaint cannot be dealt with by the end of the next working day we will provide a written acknowledgement within 5 working days.
- If we believe that the complaint should be redirected to another organisation, we will advise you within 5 working days and endeavour to provide details to whom the complaint should be redirected.
- We will keep you informed of our progress during the investigation where appropriate.
- Within eight weeks we will either send a final response or explain why we remain unable to conclude the matter.
- At that stage eligible complainants as defined by the FSA may refer the matter to the Financial Ombudsman Service if unsatisfied as to our progress. We will advise you if you are an eligible complainant and the address of the Ombudsman. You may also check with the FSA direct.
- When a final response is sent an eligible complainant may also refer the complaint to the Financial Ombudsman Service if dissatisfied with the outcome.

#### **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. Full details and further information on the scheme are available from the FSCS.

### **Money Laundering / Proceeds of Crime Act**

We are obliged to report to the National Criminal Intelligence Service any evidence or suspicion of money laundering at the first opportunity and we are prohibited from disclosing any such report.

Claims payment and refund or premiums where appropriate will be made in favour of you. If you require a payment to be made to a third party then you must confirm the required payee name and details and provide a brief explanation for your request.

### **Data Protection**

We are registered under the 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.**

### **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.

### **Contact Addresses**

#### **Financial Ombudsman Service**

South Quay Plaza  
183 Marsh Wall  
London  
E14 9SR

Tel: 0845 080 1800  
Fax: 0207 904 1001  
Web: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

#### **Financial Services Authority**

25 The North Colonnade  
Canary Wharf  
London  
E14 5HS

Tel: 0207 066 1000  
Fax: 0207 066 1099  
Email: [general.insurance@fsa.gov.uk](mailto:general.insurance@fsa.gov.uk)  
Web: [www.fsa.gov.uk](http://www.fsa.gov.uk)

#### **Hamilton Fraser Insurance**

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Web: [www.hamiltonfraser.co.uk](http://www.hamiltonfraser.co.uk)

# Are you covered?

Why not let us help you out with your other insurance needs?  
Get a quote today and find out how much you can save!

Opening Hours for all departments listed below: 9.00am to 5.30pm

Area of Insurance/Cover	Email / Web	Telephone No.
Aesthetic & Cosmetic Professional Liability	cosmetic@hamiltonfraser.co.uk	0845 310 6300
Landlords Insurance	landlords@hamiltonfraser.co.uk	0845 310 6300
Commercial Property Insurance	commercial@hamiltonfraser.co.uk	0845 310 6300
Business Insurance	business@hamiltonfraser.co.uk	0845 310 6300
Home Insurance	home@hamiltonfraser.co.uk	0845 310 6300
Tenancy Deposit Protection	info@mydeposits.co.uk	0871 703 0552



## Hamilton Fraser Insurance

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**Fax:** 0845 310 6301

**Email:** [enquiries@hamiltonfraser.co.uk](mailto:enquiries@hamiltonfraser.co.uk)

[www.hamiltonfraser.co.uk](http://www.hamiltonfraser.co.uk)

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Hamilton Fraser Insurance is a trading name of HFIS plc.  
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