

## INTRODUCTION

The Company is an independent Lloyd's Broker registered in England, Company Number is 02122641. Further information about us, including our Financial Statements, can be found on our website [www.dashwood.co.uk](http://www.dashwood.co.uk).

The Company is authorised and regulated by the Financial Conduct Authority. The permitted business is arranging general insurance contracts for commercial and retail clients. Our FCA Firm Reference Number is 464294. These details can be checked on the Financial Services Register by visiting the FCA's website <http://www.fca.org.uk> or by contacting the FCA on telephone no. 0845 606 9966. The Company is also a member of LIIBA (London and International Insurance Brokers' Association).

The Company is required to comply with the FCA Regulations relevant to an insurance intermediary, including:-

- A firm must conduct its business with integrity, pay due regard to the interests of its clients 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 clients and between a client and another client.
- A firm which holds client money has to meet certain minimum 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 client 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 sections relating to non-statutory trust accounts; segregation of designated investments; and 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.**

## **1. RELATIONSHIPS**

- 1.1 As an independent insurance intermediary, the Company normally acts for its client (the "Intermediary"). The Company is subject to the law of agency, which imposes various duties on it. However, in certain circumstances the Company may act for and owe duties of care to other parties. The Company will advise the Intermediary when these circumstances occur so the Intermediary will be aware of any possible conflict of interest. Nothing in this Agreement shall require the Company to accept any item of business or renewal referred to it by the Intermediary if in its absolute discretion it declines to do so for whatever reason.
- 1.2 The Company's ultimate owner is Dashwood Holdings Limited, a company registered in England (Company No. 13948795). Dashwood Holdings Limited's shareholders with a shareholding in excess of 10% include certain of its directors who hold more than 10% of the share capital.
- 1.3 In undertaking business with the Company, the Intermediary is confirming that it is regulated to undertake insurance mediation activities by the FCA or equivalent overseas body (and undertakes to provide the Company with documentary confirmation of such authorisation). Should the Intermediary cease to be regulated or be subject to any disciplinary or regulatory actions, the Intermediary must inform the Company immediately.
- 1.4 The Intermediary shall at no time cause any of its clients to believe that it is a representative of the Company or has any authority to act on behalf of the Company. Nothing in the Agreement shall be construed as appointing the Intermediary as the Company's Appointed Representative within the meaning of section 39 of the Financial Services and Markets Act 2000 ("FSMA"). This Agreement shall not override the terms of any delegated underwriting agreement that exists between the parties and in the event of a conflict between the two agreements the delegated underwriting agreement shall take precedence.
- 1.5 The Company shall seek to place the insurance business that the Intermediary introduces to them and has access to a wide range of insurers. The Company will advise the Intermediary of the insurers they have considered for the insurance if requested. The Company will advise and make a recommendation to the Intermediary based on the information that the Intermediary provides with regard to the proposed insurance. This will include the type of cover the Intermediary seeks for their client, together with costs. Upon receipt of instructions from the Intermediary, the Company will commence discussions with insurers and keep the Intermediary informed of the progress of these negotiations. However, for some insurance products, insurers may have granted the Company with a Binding Authority or the Company may have in place a Lineslip/Open Cover or similar facility. If the insurance is placed under such a facility the Company will advise accordingly. The Company will advise the Intermediary of any inability to place the insurance.

## **2. PROFESSIONAL INDEMNITY INSURANCE**

Both parties must maintain Professional Indemnity Insurance at a suitable level throughout the period of this Agreement. Failure to do so will terminate this Agreement with immediate effect.

## **3. SECURITY**

The Company will use its best endeavours to ensure that the security it uses is suitable for the insurance. All security is vetted regularly by the Company's Security Committee and will be clearly identified on the confirmation of coverage documentation. The Company will ask the Intermediary to check that both it and the insured are happy with the insurer(s) whom the Company has used.

The Company does not guarantee the solvency of any insurer it places business with. Should any security that the Company has placed the business with be unacceptable, the Intermediary must advise the Company immediately.

## **4. POLICY DOCUMENTATION**

- 4.1 Once the placement of the insurance has been completed, the Company will advise the Intermediary in writing. The Company will issue the Intermediary with a document which will confirm the basis of the cover it has arranged on the Intermediary's behalf and will also give details of the insurers with whom the coverage is placed. It is the responsibility of the Intermediary to ensure that their client understands the terms of the insurance the Company has obtained and that it is adequate for their requirements. The Company will ask the Intermediary to check this document carefully to make sure

that it meets their client's requirements and if there are any questions to revert to the Company immediately. The Intermediary will receive a debit note for the premium due showing the dates that the premium is due, the commission and any penalties, should this not be adhered to. The Company will make every effort to send this documentation within a week of the contract incepting or of the placement being completed, if this is later.

- 4.2 The Company will contact the Intermediary with regard to the renewal of the contract and, where the Company is able, provide the Intermediary with renewal terms in writing or notify the Intermediary that renewal is not being invited. Included with the renewal terms will be an explanation of any significant changes to the terms of the contract.
- 4.3 Where a change occurs mid-term the Company will undertake to amend the insurance as soon as practicable and confirm to the Intermediary in writing that the change has been effected. In the case of a mid-term cancellation the Company reserves the right to retain the commission or fee earned at inception.
- 4.4 The Company will retain documents for business effected on behalf of the Intermediary in electronic or paper format for at least seven years. For some types of insurance cover it is possible that a claim may be made under a contract long after its expiry date and it is therefore important that the Intermediary keeps such documents safely.
- 4.5 The Intermediary will only issue confirmation of cover to its client upon receipt of written conditions advised to the Intermediary by the Company.

#### **5. DUTY OF DISCLOSURE TO INSURERS**

In addition to providing all the basic information for the Company to place the risk, the Intermediary must ensure that it, the insured and any other parties involved in the placement, comply with their legal duty to disclose all matters relating to the risk.

In particular the Intermediary must take reasonable care not to make any misrepresentation in the information it provides to the Company for insurers before the contract is concluded, at the time of any variation of the policy and upon renewal. The Intermediary must ensure that the Insured and any other parties involved in the placement understand their duty to disclose to the insurer every material circumstance which it knows or ought to have known after reasonable search and that it keeps the insurers advised of any such facts or changes to facts that occur during the policy period. A material fact is a fact which may influence an insurer's judgement in the assessment of the risk. If the Intermediary or the insured are in any doubt as to whether a fact is material the Company recommend that it be disclosed.

#### **6. WARRANTIES**

Warranties are important provisions contained in your policy and must be exactly complied with at all times. Breach of a warranty may suspend your policy. Insurers may have no liability to pay losses occurring or attributable to something happening during any such period of suspension. The period will continue until the breach has been remedied (if it is capable of remedy). You may be deemed to have warranted the accuracy of information provided in a proposal form, such that any inaccuracy will constitute a breach of warranty.

It is very important that you read the full policy carefully and, if you are unsure of, or are unable to comply with, any provisions, please contact Dashwood Brewer & Phipps Ltd immediately.

#### **7. CONDITIONS PRECEDENT**

Please also take particular note of any conditions precedent that appear in the policy. If a condition precedent to the validity of the policy or to the commencement of the risk is not complied with, the insurer will not come on risk. If a condition precedent to the insurer's liability under this policy is not complied with, the insurer may not be liable for any loss that may occur.

#### **8. SUBJECTIVITIES**

If the cover provided is granted by insurers subject to certain requirements, failure to comply may result in cover not being in place or cancellation of coverage.

## **9. PREMIUM**

- 9.1 When the Company places the insurance the insurer will stipulate when the premium must be paid. The Company will also advise the Intermediary of any premium payment condition or warranty. Non-payment of premium within the terms may lead to insurers cancelling the contract. Where insurers have specified that the premium must be received by a certain date, failure to comply can result in automatic termination of the insurance contract. In addition, it is of critical importance that the Company pays the premium within these terms as late payment could affect the Company's ability to trade with a certain insurer. The Company will therefore ensure that it advises the Intermediary when the premium must be paid so that it can pay insurers by the due dates they have set.
- 9.2 The Intermediary must be aware that if a Premium Payment Warranty has been imposed and it fails to pay the premium before the date specified (allowing sufficient time for the Company to receive and pass on the payment to the insurer) then the contract will be suspended.
- 9.3 The Company will advise the Intermediary of its bank details and will accept payment by bank transfer or cheque. All payments must be clearly identified and the Company will return any payments where the routing of the payment is not in the normal manner or where the Company is unable to identify immediately what the payment is in respect of. If payment is being made by cheque, the Intermediary must allow sufficient time for the cheque to clear the Company's bank account. The Company will only pay money on to insurers once it can confirm it has cleared funds.
- 9.4 The offsetting of one amount due against another will not be allowed unless the Intermediary has received prior written agreement from the Company.
- 9.5 The Company will not be held responsible for any lapse in cover which may occur due to late or non-payment of premium.

## **10. REMUNERATION**

The Company's remuneration may be as a fee, or as brokerage which is a percentage of the insurance premium paid by the Intermediary and allowed by the insurer with whom the insurance is placed. Brokerage and fees are earned for the contract period and the Company will be entitled to retain all brokerage and fees in respect of the full contract period in relation to policies placed by it. The Company's remuneration will be disclosed to the Intermediary on request.

In addition to client fees and/or brokerage payments, the Company may receive remuneration by way of administration fees or commissions for services provided to insurers. The Company may also act as reinsurance brokers to insurers with whom the Company has placed insurance or reinsurance.

## **11. CLAIMS**

- 11.1 The Intermediary must notify the Company as soon as possible of a claim or circumstances which may give rise to a claim. Any potential claims will need to be notified immediately and in accordance with the information provided in the contract wording. However, if the Intermediary requires any assistance or is unsure in any way of its obligations or that of the insured, please contact us directly.
- 11.2 The Company will remit claims payments to the Intermediary as soon as possible after they have been received on the Intermediary's behalf. The Company will provide the Intermediary with every assistance in submitting a claim and seeking to obtain reimbursement for the Intermediary. However, in the event that an insurer becomes insolvent or delays making payment, the Company does not accept liability for any unpaid amounts.
- 11.3 The Intermediary has no power or authority to agree and shall not agree any liability under the policy on behalf of the Company or on behalf of any insurers (unless such authority has previously been delegated to the Intermediary under a Binding Authority Agreement), nor offer any specific advice to the client which incurs any costs to the insurers without the express prior written consent of the Company.
- 11.4 The Company will act on behalf of the Intermediary in the resolution of the claim unless the Company concludes that it has an actual or potential conflict of interest in which case the Company may at its sole discretion decline to represent the Intermediary.

## **12. PRODUCTION OF INFORMATION AND FIGURES**

Where a contract requires a periodic bordereau/statement or Year End adjustment, then the Company will advise the basis on which figures need to be provided and where multiple years of account are involved, information and/or figures must be provided for each Year of Account separately. The Intermediary must always obtain and provide any information that it thinks a prudent insurer would require to see.

## **13. CANCELLATION CLAUSE**

The insurance contract may include a cancellation clause. In the event that the premium is not paid by the due date the insurance may be cancelled forthwith (which may be back to inception) 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 the Company or may require a "Time on Risk" Premium. Once the Company's remuneration has been earned, in the event that the insurance is cancelled after inception, the Company's fees or brokerage will not usually be returnable.

## **14. CLIENT MONEY DISCLOSURES**

Client money is money of any currency that the Company receives and holds in the course of carrying out insurance mediation on behalf of their clients or which the Company treats 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 subject to a statutory trust;
- (b) It can be subject to a non-statutory trust; or it can be in accordance with the FCA clients assets sourcebook (CASS).

The Company holds client money subject to a non-statutory trust, as explained below. If the insurer has granted risk transfer to the Company, when premium is received from the Intermediary or when a return of premium or claims monies are received from the insurer that are due to the insured, the Company will be holding this money as an agent of the insurer. Where risk transfer has not been agreed, the Company will advise the Intermediary when the premium has been paid to the insurer. Money will only be held on behalf of an insurer in accordance with a written agency agreement.

### **Non-Statutory Trust**

The aim of the 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 where 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 FCA require that Firms wishing to operate non-statutory trusts have adequate resources and they set a higher capital requirement for the Firm. The FCA also require an independent audit concerning the adequacy of the Firms' systems and controls. In the context of these safeguards, the FCA allows the Company to 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 the Company receives payment from the insurer. However, the Company is not entitled to use client money to pay commissions before it receives the relevant premium from the client.

The fact that the Company holds money on trust gives rise to fiduciary duties which will be owed to the Intermediary until the client money reaches the insurer or product provider. The Company believes this flexibility is in the best interests of its clients.

### **Segregation of Designated Investments**

The Company keeps client money separate from its own money as stated above. The Company may do this by paying it into a client bank account. However, it 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 the Company does this, it will be responsible for meeting any shortfall in its client money resource which is attributable to falls in the market value of a segregated investment.

### **Interest on Client Money**

Any interest earned on client money held by the Company and any investment returns on any segregated designated investments will be retained by the Company for its own use, rather than paid to the Intermediary or the insured.

### **Payment to Third Parties**

The Company may transfer client money to another person, such as another broker, for the purpose of effecting a transaction on the Intermediary's behalf through that person. This may include brokers outside the UK. The legal and regulatory regime applying to a broker outside the UK may be different from that of the UK and, in the event of a failure of the broker, this money may be treated in a different manner from that which would apply if the money were held by a broker in the UK. The Intermediary may notify the Company if the insured does not wish their money to be passed on to a person in a particular jurisdiction.

## **15. BANK ACCOUNTS**

Client money will be deposited with one or more approved banks, a list of which will be provided to the Intermediary. The Intermediary must notify the Company immediately if the insured does not wish the Company to use any bank or banks on the list.

The Company may hold client money in a client bank account outside the UK. In such circumstances the legal and regulatory regime applying to the bank will be different from that of the UK and, in the event of a failure of the bank, the money may be treated in a different manner from that which would apply if the client money were held by a bank in the UK. The Intermediary may notify the Company if the insured does not wish its money to be held in a particular jurisdiction.

No payment will be made to the Intermediary until the Company has verified the bank account details of the Intermediary by e-mail and telephone. In the event of the Company being unable to obtain satisfactory verification, the Company shall not be held liable for any losses arising from the delay.

## **16. COMPLAINTS**

It is the intention of the Company to provide a first class service. However, should the Intermediary have any cause for complaint or should it receive a complaint, in the first instance the Intermediary should contact the Company's Compliance Officer. The contact details are as follows:-

The Compliance Officer  
Dashwood Brewer & Phipps Ltd  
DBP House, 63 Mark Lane  
London EC3R 7NQ

Tele: +44(0)207 626 3711  
Email: [compliance@dashwood.co.uk](mailto:compliance@dashwood.co.uk)

The Company takes all complaints seriously and will acknowledge your complaint within 5 business days. If the Company is unable to settle the Intermediary's complaint, the Intermediary may be entitled to refer it to the Financial Ombudsman Service at Harbour Exchange Square, London E14 9SR (Tele: +44(0)800 023 4567).

## **17. COMPENSATION**

The Company is covered by the Financial Services Compensation Scheme (FSCS). The Intermediary may be entitled to compensation from the FSCS if the Company cannot meet its 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.

## **18. MONEY LAUNDERING/CRIMINAL FINANCES ACT**

UK money laundering regulations require the Company to obtain evidence of the identity of clients for whom it acts at the start of a business relationship and this is therefore incorporated in the checks that the Company will undertake on any potential new client. The Company is obliged to report to the National Criminal Intelligence Service any evidence or suspicion of money laundering at the first opportunity and is prohibited from disclosing any such report. Any applicable claims' payment will be made in favour of the Intermediary or the insured. If the Intermediary requires a payment to be made to a third party then they must confirm the required payee name and details and provide a full explanation for the request.

The Company will not take any action which facilitates the evasion of taxes anywhere in the world or which is contrary to any related financial crime laws and regulations.

**19. BRIBERY ACT**

The Company has in place an anti-bribery policy, procedures and controls to enable it to comply with its responsibilities under the Bribery Act. As part of the relationship between the Company and the Intermediary, the Company requires the Intermediary to confirm that it has in place adequate systems, procedures and controls to comply with its own responsibilities to prevent bribery and to provide evidence to the Company, if requested.

**20. SANCTIONS**

The Company pays due regard to legislation and observes any applicable international economic or financial sanctions and undertakes sanction searches as applicable.

**21. INFORMATION ABOUT THE INTERMEDIARY**

All information about the Intermediary will be treated as private and confidential and the Company will only disclose information if it is required in the normal process of arranging the insurance. This information will be kept secure. From time to time the Company may request information from the Intermediary, such as latest Financials, proof of licensing and/or Professional Indemnity Insurance as it needs to be able to confirm that its clients continue to meet their minimum criteria.

**22. GENERAL DATA PROTECTION REGULATION (GDPR)**

Dashwoods is fully committed to compliance with the requirements of the GDPR and all other data protection legislation currently in force as outlined in our Data Protection Privacy Notice, which can be viewed on our website ([www.dashwood.co.uk](http://www.dashwood.co.uk))

**23. NOTICE**

23.1 Any notice to be given under this Agreement shall be in writing and shall be sent by first class mail, or by fax or e-mail, to the address of the relevant party set out at the head of this Agreement.

23.2 Notice served in accordance with the preceding clause shall be deemed to have been received three working days after the day of posting (in the case of inland first class mail) or on the next working day after transmission in the case of a fax message and on confirmation of successful transmission.

**24. FORCE MAJEURE**

Neither party shall be liable for any delay or non-performance of its obligations under this Agreement caused by an event beyond its control (a "Force Majeure Event") provided that the party affected gives prompt notice in writing to the other party of such Force Majeure Event and uses all reasonable endeavours to continue to perform its obligations under the Agreement. Either Party may terminate this Agreement if such Force Majeure Event continues for more than three months.

**25. TERMINATION**

25.1 This agreement shall terminate:

- (a) at any time by one Party giving written notice of termination to the other;
- (b) immediately, without notice, should either Party become the subject of voluntary or involuntary liquidation or administration proceedings (save for the purposes of amalgamation or solvent reorganisation) or become the subject of an action in bankruptcy or make or propose any composition with its creditors or otherwise acknowledge its insolvency.
- (c) immediately, without notice, should the Company or the Intermediary have any authority or permission granted to it by the FCA (or other local state regulator in the case of a non-UK Intermediary) withdrawn or varied in such a manner as materially to affect their ability to undertake insurance mediation activities in relation to any business transacted under this Agreement.

25.2 The Company shall remit to the Intermediary within 30 days any commissions outstanding at the date of termination of the Agreement when they are collected from insurers.

25.3 The Intermediary shall settle immediately upon receipt any statement of account forwarded by the Company after termination of the Agreement.

**26. INDEMNITY**

The Intermediary will fully indemnify the Company and any of its employees, officers or directors (each an "Indemnified Person") against all reasonable, proven and fully mitigated costs and expenses, damages, liabilities and losses which the Company and any such persons may suffer or incur directly or indirectly as a result, or in connection with, or arising out of any breach of or failure to comply with the terms of this agreement by the Intermediary, or its negligence, wilful default or fraud.

**27. 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 both Parties irrevocably submit to the exclusive jurisdiction of the English courts.

**28. VARIATION AND ASSIGNMENT**

Any variation to the terms of this Agreement must be agreed by both Parties and confirmed in writing.

This Agreement cannot be assigned to any third party without the prior written consent of the Party not seeking to assign.

***Please note that wherever the Company refer to an insurer(s) this means both insurer(s) and/or reinsurer(s). Whenever the Company refers to insurance, it means insurance or reinsurance.***

**AGREED by the Parties through their authorised signatories:**