



Terms of Business

MELKSHAM
INSURANCE BROKERS

melvilleburbage

Terms of Business

Melville Burbage Insurance Services Limited (MBIS) whose Office is The Old Drummers Arms, 16-18 Northcroft Lane, Newbury, Berkshire RG14 1BU is an independent insurance intermediary trading as Melville Burbage Insurance Services and Melksham Insurance Brokers. The purpose of this document is to describe our professional relationship and the services we will provide to you (except for services, if any, which we are providing under the terms of a separate written agreement executed by you and MBIS). We are authorised and regulated by the Financial Conduct Authority (FCA). Our FCA Register number is 474872.

Our permitted business is advising, arranging, dealing as agent and assisting in the administration and performance of general insurance contracts. In addition we are authorised by the FCA in respect of Consumer Credit Act. These details may be checked on the FCA's Register by visiting the FCA's website, www.fca.gov.uk/register or by contacting the FCA on 0800 1116768.

Our Service

We are required to comply with the FCA regulations relevant to an Insurance Intermediary. MBIS will:-

- Conduct its business with integrity, and pay due regard to the interests of its customers and treat them fairly.
- Conduct its business with due skill, care and diligence.
- 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.
- Give adequate explanation to enable you to make an informed decision.
- Manage conflicts of interest fairly, both between itself and its customers and between a customer and another client.
- Meet certain specified conditions in respect of client money.
- Take reasonable care to establish and maintain such systems and controls as are appropriate to our business.
- Comply fully with the Consumer Credit Act.

Please Read This Document Carefully

We would urge you to read this document carefully, and use the information to decide if our services are right for you.

It sets out the terms on which we agree to act for our clients and contains details of our regulatory and statutory responsibilities.

Relationships

As an independent insurance intermediary 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.

For some types of insurance we deal with a panel of Insurers, for others we deal with a range of Insurers or exclusively with a single insurer which we have selected as offering value for money and good quality service. Lists are available on request. We will advise and make a recommendation to 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, or we will advise you of any inability to place your insurance.

In certain cases we have an authority delegated by Insurers to bind insurance(s). Where your insurance is placed pursuant to such a binding authority arrangement you will be specifically advised of it. In these circumstances, to the extent your insurance is placed under a binding authority, in dealing with the underwriting and administration of your insurance, we will be acting primarily on behalf of Insurers.

Selection & Solvency of Insurers

Our selection of Insurers is generally based on our knowledge and experience of the relevant market sector, its products, our preference to deal with a limited number of Insurers in each market sector with whom we can develop trading relationships to the advantage of our clients and the financial standing of the Insurer.

We use all reasonable endeavours to monitor using publicly available information, the financial standing of Insurers and to use only Insurers who have a satisfactory financial status. The financial standing or responsibility of any Insurer can, of course, change after the insurance has inception. We accept no responsibility for the financial performance of any Insurer and will not be responsible in any circumstances in the event that they are unable, for whatever reason, to meet their obligations to you.

The final decision on the suitability of a Insurer will rest with you. If you have any concerns about the Insurer we are using to provide cover, please contact us immediately.

Your Duty to Give Information & Check Documentation Thoroughly

It is your responsibility to provide complete and accurate information to Insurers when you take out your insurance policy, throughout the life of your policy and when you renew your insurance. You thus have a duty to provide us with this information at all times. It is important that you ensure that all statements you make on proposal forms, claim forms and other documents are full and accurate.

You should read all insurance documents issued to you and ensure that you are aware of the cover, limits and other terms that apply. Particular attention should be paid to any warranties, clauses, endorsements and/or conditions as failure to comply with them could invalidate your policy or result in that all, or part of, a claim not being paid. You should inform us immediately of any inaccuracies in the documentation or changes in circumstances that may affect the services provided by us or the cover provided by your policy. Please note that if you fail to advise us of any inaccuracies in your documentation or fail to disclose any material information to your Insurers, this may render your insurance cover invalid and could mean that all or part of a claim may not be paid.

If you are unsure as to whether information is material you should discuss this with us and we will advise you accordingly.

Claims

You must notify us as soon as possible of a claim or circumstances which may give rise to a claim. We will employ due care and skill, together with promptness and fairness, if we act on your behalf in respect of a claim.

On the very rare occasions that we act on behalf of an insurer in negotiating and settling claims, we will inform you that we will be acting on behalf of the insurer, not yourselves, at the point of claim.

The Insurance Act 2015

The Insurance Act 2015 mainly applies to commercial insurances (non-consumers) and will apply by law to contracts issued, renewed or varied after 12 August 2016 providing such contracts

are governed by the laws of the United Kingdom (England, Wales, Scotland or Northern Ireland).

The Act updates the law in the following areas:

Pre-contractual disclosure: The Duty to Make a Fair Presentation

Under the current law, you - the policyholder are required to disclose all 'material facts' relevant to the risk. Material facts are defined as being those which a 'prudent insurer' would take into account in their assessment or acceptance of a risk. Failure to comply with this duty allows Insurers to avoid the contract, in effect treating the policy as though it had never existed.

The Insurance Act 2015 replaces this duty of disclosure with a revised duty to make a 'fair presentation' of the risk. This requires the policyholder to undertake a reasonable search of the information available to them and defines what the policyholder knows or ought to know. If this duty is breached, the Act puts in place a new range of proportionate remedies which Insurers can apply depending upon the action they would have taken had the correct information been disclosed. If the failure in disclosure is deliberate or reckless, or if Insurers would not have entered into the contract at all, Insurers remain entitled to avoid the contract entirely.

Warranties

Under the current law, breach of a warranty in an insurance contract allows the insurer to avoid any liability under the policy from the point of the breach, even if corrected. Insurers were also entitled to avoid liability even when the breach was not relevant to the type of loss actually suffered.

The Insurance Act 2015 changes the effect of breach of a warranty so that the cover remains in place for a valid claim arising after a breach has been remedied. In addition, breach of a warranty no longer has any effect on the Insurer's liability for valid losses unrelated to the breach.

Insurer's Remedies for Fraudulent Claims

If a fraudulent claim is submitted, Insurers will have the right to refuse any claim arising after the fraudulent act. Previously valid claims are unaffected.

If a member of a group insurance makes a fraudulent claim, the right to refuse claims resulting from the fraud will only apply to the fraudulent individual and not to the other members or the insurance policy as a whole.

What are Insurers doing in response to the Act?

Based on what we have seen so far, Insurers have been reviewing the scope of their policy wordings and associated documentation to ensure that they are fully compliant with the Act. Some insurance policies have already been amended to comply with the Act and reference is already made to the Insurance Act 2015. All Insurers will have to comply with the Act for any policy issued, renewed or varied after 12 August 2016.

Important

It is essential that you understand the implications of the Insurance Act 2015. It is the most significant update to commercial insurance law for over 100 years. We will explain your Insurers approach to the Act, some Insurers have opted out of certain parts of the Act, when they have done so it is generally to a policyholder's benefit. It is essential that we communicate and you understand your Insurers approach.

It is crucial that you work with us to ensure that your Insurers are in possession of a 'Fair Presentation' of the risk, therefore it is essential that you communicate with us so we fully understand your business and its risks, we will share with you the information/presentation we send to Insurers, it is vital that you check this information and contact us immediately if there are any errors or omissions.

Importantly, the Act requires you, the policyholder, to undertake a reasonable search of the information available to you and defines what you as a policyholder knows or ought to know. Therefore you should make sure you have made full and appropriate enquiries/investigations with your colleagues and appropriate third parties before supplying information in respect of your insurance policy.

Payment Methods, Terms & Credit Consent

We accept payment by bank transfer, cheque, debit and most credit cards. You may also be able to spread your payments through instalments or a credit scheme. In these circumstances the European Union Consumer Credit Directive applies and we will supply you with full information. In assessing your application the insurer and/or the credit provider may search the public information that a credit reference agency holds about you. The credit reference agency will add details of the search and your application to their record about you, whether or not your application proceeds.

This and other information about you may be used to make credit decisions about you and undertake checks for the prevention and detection of money laundering. There will usually be a charge for paying by instalments and full details will be provided if you select this option. Failure to meet the amounts and payment dates will result in a charge and may lead to your policy being cancelled or voided. 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. Where we receive an income from arranging a finance agreement with Premium Credit Limited (PCL) we confirm that MBIS do not act independently and work exclusively with PCL.

To make sure you get Insurers best deals and to ascertain the most appropriate payment options for you and to protect you from fraud, we and Insurers use public and personal data from a variety of sources including a credit reference agency and other

organisations. The search will appear on your credit report whether or not your application proceeds. By agreeing to these terms and conditions you agree to these uses of your information.

Payment terms are strictly as follows: payment to be made prior to the inception date, renewal date or in the case of mid term adjustments, the date cover was arranged or agreed. Alternatively, and only where agreed in writing, payment is to be made within 14 days of the aforementioned dates.

Payment of Premium using Third Party Instalment Facilities

If you choose to pay for your insurance premium using our approved instalment provider, Premium Credit Limited (PCL) of Premium Credit House, 60 East Street, Epsom, Surrey KT17 1HB, your personal information, including bank details, will be passed to them and they will contact you directly in order to manage your chosen payment plan with them. We may receive a commission for introducing customers to a finance provider. We will provide you with a breakdown of the costs of your monthly instalments and you will subsequently receive a document outlining key features of the finance provider's credit agreement with you. It is important that you take the time to read all documentation and must contact us if you do not receive this information, as it will start to help you decide if the provider's product is right for you.

If you have any queries or questions either about the service provided by the finance provider or terms and conditions you should in the first instance be directed to them; PCL can be contacted on 0344 736 0342. Where your policy is paid via a finance provider and you choose to renew your cover, we'll continue to pass your details onto the finance provider unless you instruct us otherwise. If any direct debit or other payment due in respect of the credit agreement to pay premiums is not met when presented for payment, or if you end the credit agreement, or if you do not enter into a credit agreement we will be informed of this by the chosen finance provider.

You have the right to cancel the credit agreement with any finance provider within 14 days from the day in which the agreement was made or the day in which you received the terms and conditions, whichever is later. You can do this without reason and by notifying either the finance provider or ourselves by phone, email or in writing. Once you have signed the credit agreement and the cooling off period has ended, any further rights you may have to cancel your credit agreement will be as stated in the provider's credit agreement or documentation provided to you. If you do not make other arrangements with us to pay your insurance premiums, you acknowledge and agree that we may instruct on your behalf any relevant insurer to cancel the insurance and to collect any refund of premiums which may be made by the insurer. This may result in additional charges by your finance provider and action may be taken against you to recover the debt (as applicable and stated in their documentation to you).

Upon receiving your strict acceptance to pay for insurance premiums through our finance provider, we will instruct them to proceed with your application for credit. PCL may use a credit reference agency that leaves a record of the search or other information about you to carry out credit and anti-money laundering checks. You are entitled to request details of any credit reference agency consulted should this information be required.

If your application for credit is accepted in full, we would expect you to receive a welcome letter from our finance provider, details of pre-contractual Information and full terms and conditions of your credit agreement with you. It is your responsibility to ensure you take the time to read any documentation sent by the finance provider to ensure it meets your needs and financial circumstances. To account for any adjustments to your policy or future renewal, your agreement may have no fixed duration and so can remain in force until it is cancelled. Your credit agreement may be completed online, or sent to you at a later date to be signed and returned, if the credit agreement is not signed then your policy may be affected. To ensure your cover remains in force, the finance provider may begin collecting your direct debits before you accept and return your signed credit agreement.

We remind you to please read carefully the pre-contractual explanations and the information regarding the cost of credit (including any representative examples). Together this will provide you with important information in relation to the credit facility available from them.

To use PCL's facility you must be resident in the UK, aged 18 years or over and hold a bank or building society current account which can support direct debit payments and have not been declared bankrupt. Credit is available subject to status.

Conflicts of Interest

In performing our services, situations may arise where there is a conflict of interest. Examples of conflicts can include where we earn a fee from you for performing our services and also earn a commission from an insurer; or where we act as agent of the insurer in settling claims or arranging insurance; or where one client we represent makes a claim against another client we represent. Should such a situation arise we will advise you so that you can make an informed decision about the conflict (and if applicable, the specific action we will take to manage that conflict).

If you object to the particular conflict, then you will need to advise us. Your instruction or confirmation of an order to arrange the insurance on your behalf will be taken as your informed consent to proceed in the manner proposed. If we feel that it is not possible to manage the conflict fairly, we will withdraw from the arrangement and advise you accordingly.

Remuneration & Other Earnings

As your insurance intermediary, we earn income in a number of ways. Typically, we will receive remuneration either by way of a commission payment by the Insurers we use and/ or by charging you a fee.

Whenever we charge a fee, that amount will be as detailed below in this document or agreed with you in advance and will be disclosed to you separately to the insurance premium. Depending on the size and nature of the fee, we may also provide you with a separate fee agreement.

Instead of a fee, or in addition to a fee, we can earn a commission payment from the Insurance Company with whom the insurance is placed and our commission is taken from your premium payment upon receipt. Commission is usually calculated as a percentage of the insurance premium. This percentage will have been contractually agreed between us and the insurance company. We may earn different percentages for different classes of business and from different insurance companies.

We may also receive additional remuneration from Insurers in respect of the volumes of business placed and/or profit share agreements, on average such additional remuneration has not exceeded 2% of premium. You have the right at any stage to request full details of the income received by us for arranging your policy including all commission and fees.

We make the following charges to cover our administrative costs for these specified activities:-

1. Arranging new policies
 - (a) Commercial insurance – By individual agreement
 - (b) Retail insurance – No charge unless agreed
2. Mid Term Adjustments – £17.50
3. Mid Term Adjustments – Commercial Clients – £17.50
4. Renewals – Home – £17.50
5. Renewals – Motor – £35.00
6. Replacement of lost documents – £17.50
7. Mid Term Cancellation – Commission clawback + £17.50
8. Adjustment Return Premiums – Commission clawback + £17.50
9. Motor Claims Management including Legal Costs (per vehicle) – FREE
10. Late Payment Fees - Commercial Clients (payments outside our Terms of Business) – 10% of outstanding premium

Subject to current legislation Insurance Premium Tax (IPT) will be charged as appropriate at the prevailing rate. Please note that Motor Claims Management is an option on all Motor Insurances, including Private Car, Motorcycle, Goods Carrying or any other Commercial Vehicle including Motor Fleet policies.

Terminating our Appointment

Unless otherwise agreed in writing either you or we may terminate our appointment to act as your agent in relation to the insurance by giving at least 30 days' notice in writing.

Where we arrange a finance agreement with PCL and you cancel or default on an agreement we reserve the right to recover any unpaid premiums or charges or monies we have lost as a result of the cancellation or default, such as commissions and fees.

As our commission or fee for bringing about or arranging the insurance is fully earned when the insurance commences, any unpaid commission or fee will become immediately due and payable to us upon termination of our appointment.

Your Personal Data

We will at all times treat all confidential information we hold about you and the assured (including any information that constitutes 'personal data' or sensitive personal data under current legislation) as private and confidential and protect it in the same way we would protect our own confidential information. We will not disclose any confidential information we hold about you or the assured to others without your prior consent except:

- (i) to the extent we are required to do so by law or a regulator.
- (ii) to Insurers, surveyors, loss adjusters and other like persons to the extent necessary to provide our services to you in a timely manner.
- (iii) to loss assessors, lawyers and other like persons to enable such third party to provide information or service you or the assured have requested.
- (iv) to premium finance companies to the extent necessary to enable them to provide you or the assured with greater choice in making premium payments.

We may communicate with each other, and with other parties, with whom we need to communicate in order to provide services to you by electronic mail, sometimes attaching further electronic data. By engaging in this method of communication we and you accept the inherent risks (including the security risk of interception of, or unauthorised access to, such communications, the risks of corruption of such communications and the risks of viruses or other harmful devices). Notwithstanding that we have reasonable virus checking procedures on our system, you will be responsible for virus checking all electronic communications sent to you.

Financial Services Compensation Scheme (FSCS)

In the event of the failure of a UK insurance intermediary or insurance company, you may be entitled to compensation under the Financial Services Compensation Scheme (FSCS). We are covered by the FSCS and you may be entitled to compensation from the scheme if we cannot meet our obligations.

In addition to consumers, this may apply to businesses depending on the size of your firm, the type of business you carry out and the circumstance of your claim.

For compulsory classes of insurance (such as employers liability and motor insurance) compensation is available for 100% of the claim, without any upper limit.

For non-compulsory classes of insurance, compensation is available for 90% of the claims, without any upper limit.

No compensation is available under the scheme in respect of marine, aviation, transport or credit insurance or for reinsurance.

Money Laundering, Bribery & Sanctions

We are obliged to take reasonable steps to safeguard our company and our clients against the risk of financial crime. To achieve this we may need to ask you to provide us with additional information to help establish proof of identity or legitimacy of any insurance transactions you ask us to undertake on your behalf. We will not agree to make payments to unknown third parties where we have had no direct dealings or knowledge of an involvement on your account. You agree to not make or receive payments to or from any third parties in relation to the insurances we arrange (or induce others to make or receive payments) without our prior express agreement.

As an organisation we have in place anti-bribery and corruption policies and procedures in accordance with applicable laws, regulations and best practice.

We will comply with all applicable sanctions, regimes and legislation (whether currently existing or implemented in the future) and you are advised that where obliged by applicable sanctions legislation we may have to take certain actions which include, but may not be limited to, the freezing of funds held on behalf of parties and individuals caught under applicable sanctions. We cannot be held responsible for the actions of third parties (including, but not limited to, Banks and exchange institutions) who may have their own sanctions policy restrictions and constraints.

Complaints

We are committed to providing you with a high level of customer service at all times. We regard complaints as a very serious area and a key measure of our customer satisfaction. It is our policy that complaints are dealt with as quickly and fairly as possible.

If you wish to register a complaint, please contact us:-

Write to K. Stevens, Managing Director, Melville Burbage Insurance Services Limited, The Old Drummers Arms, 16-18 Northcroft Lane, Newbury, Berkshire RG14 1BU.

Or telephone K Stevens, Managing Director - Tel: 01635 43880.

If you are not happy with the way your complaint has been handled, consumers may be eligible to refer the matter to the Financial Ombudsman Service also some small business may be eligible. Please refer to the Financial Ombudsman Service leaflet provided in our final written response letter.

Full details will be provided in our complaints procedure document which will be sent to you on receipt of a complaint and when we send you a final written response.

The Receiving & Holding of Client Money

Client money is any money that we receive and hold in the course of arranging or administering insurance on your behalf, or which we treat as client money in accordance with FCA client money rules.

Unless we are advised otherwise, all client funds will be held in a non-statutory trust account.

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

(a) It can be subject to a statutory trust.

We hold client money collected for onward transmission to the insurance undertaking and return premiums/credits/claims payments due to clients from Insurers in a Client Bank Account under a Statutory Trust in accordance with the authorisation we have from the FCA to do so. For the purpose of some transactions, client money may pass through other authorised intermediaries before it is received by the insurer. Interest will not be paid to customers in respect of money held in client bank accounts.

(b) It can be subject to a non-statutory trust.

We will provide protection for your money by holding Client money in either (a) or (b). This is completely segregated from our own money and there are strict regulatory controls on us to maintain solvency of the Client Account and to conduct regular reconciliation of the account. Importantly, client money is ringfenced and held in trust in the Client Account so that it will be returned to clients in the event of our company's insolvency and cannot be used to reimburse other creditors.

Under the rules, money held in the Client Account may be used for payment of premium or claims for another client before their monies are received, but increased credit controls are maintained where this occurs. We are not entitled to use client money to take payment of fees or commission before we receive the relevant premium from a client.

Risk Transfer

In most cases, we act as the agent of Insurers for handling payment of premiums, return premiums and claims; subject to 'Risk Transfer' where Insurers' assume the credit risk so that payment by you of premium to us will be deemed payment to Insurers and claims and return premiums paid by Insurers through us will not be deemed paid until received by you. Such money will be held within the Client Account.

Use of Third Parties

We will inform you if we intend to arrange an insurance contract on your behalf, or transfer your money to Insurers, using another person, such as another broker or an outsource arrangement.

You must notify us if you do not wish your insurance arranged with a particular firm or money passed to a particular firm or person in a particular jurisdiction.

Bank Accounts

We will deposit client money we receive in a Client Account with one or more UK approved Banks.

Interest on Client Money

Any interest earned on client money held by us will be retained by us.

There may be occasions when we either voluntarily or involuntarily fund certain payments on your behalf or to you, whether in respect of premiums, return premiums, claims or otherwise. We will inform you in such an event, and you accept and acknowledge that such payments were made for your benefit and with your implied authority and that unless otherwise paid to us by Insurers, you will repay the full amount of such payments to us and that, until you do so, the outstanding amount is a debt due from you to us.

Limitation of Liability & Force Majeure

Limitation of Liability

(a) The following provisions of this section set out our entire financial liability (including any liability for the acts or omissions of its employees, agents and sub-contractors) to you in respect of all losses, claims or liabilities arising under or in connection with this Agreement (including in respect of any indemnities) whether in contract, tort (including negligence), breach of statutory duty, or otherwise.

(b) All warranties, conditions and other terms implied by law are, to the fullest extent permitted by law, excluded from this Agreement.

(c) Nothing in this Agreement excludes or limits our liability for death or personal injury caused by our negligence or for fraudulent misrepresentation.

(d) Nothing in this Agreement excludes or restricts our duty or liability to you under the applicable regulatory system.

(e) Subject to clauses (b), (c), and (d) above, our total liability to you, shall in aggregate be limited to £2.5 million; and we shall not be liable to you for loss of or corruption of data, loss of profit, loss of anticipated savings, loss of business, loss of opportunity, depletion of goodwill, additional operational and administrative costs and expenses, the cost of procuring replacement goods or service, or any indirect or consequential loss or damage.

Force Majeure

Neither party shall be in breach of this Agreement nor liable for any delay in performing, or failure to perform, any of its obligations under this Agreement if such delay or failure results from the events, circumstances or causes beyond its reasonable control, which shall be deemed to include, but not be limited to the following: act of God; civil commotion; failure of third party suppliers; sabotage; labour dispute and industrial action; delay of Insurers; explosion; or fire; and in such circumstances the time for performance shall be extended for a period equivalent to the period during which performance of the obligation has been delayed or failed to have performed, provided that if the period of delay or non-performance continues for 12 weeks, either party may terminate this Agreement by giving 14 days written notice to the other party.

Melville Burbage

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Company Registration No: 06404074 | FCA Registration No: 474872

Melville Burbage Insurance Services Ltd is authorised and regulated by the Financial Conduct Authority (FCA).

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Law & Jurisdiction

MBIS undertakes its activities as an Insurance Intermediary in accordance with English law. Any disputes will be governed by and construed in accordance with the laws of England and the parties submit to the exclusive jurisdiction of the courts of England.

Please contact us immediately if there is anything in these Terms of Business that you do not understand or with which you disagree, or if you have any questions. If we do not hear from you within 30 days of receiving these Terms of Business or if we receive an instruction or confirmation of an order to arrange cover on your behalf, whether or not within the 30 day period, this will in any event be deemed acceptance by you of these Terms of Business.

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