

# TERMS OF BUSINESS AGREEMENT

ADVANCE

ESTABLISHED - 1929 insurance

## **INTRODUCTION**

Please read this document carefully as it sets out the terms on which we agree to act for our clients and contains details of our regulatory and statutory responsibilities. Please contact us immediately if there is anything in these terms of business which you do not understand or with which you disagree.

## **The Financial Conduct Authority (FCA)**

The FCA is the independent watchdog that regulates financial services. It requires us to give you this document. Please use this document to decide if our services are right for you.

## **ABOUT US - STATUS AS AN INDEPENDENT INTERMEDIARY AND REGULATORY AUTHORISATION**

Advance Insurance Agencies Limited of 8 Avon Reach, Chippenham, Wiltshire SN15 1EE is authorised and regulated by the Financial Conduct Authority. Our Firms Registration number is 300559. Our permitted business is advising, arranging, and making arrangements with a view to transactions in non-investment insurance contracts; dealing as an agent in non-investment insurance contracts, and assisting in the administration and performance of a non-investment insurance contract & consumer credit.

You can check this on the FCA's Register by visiting the FCA's website [www.fca.org.uk/register](http://www.fca.org.uk/register) or by contacting the FCA in the UK on 0300 500 0597 & abroad on +44 20 7066 1000.

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

## **OWNERSHIP and APPOINTED REPRESENTATIVES (if applicable)**

We are privately owned company.

We do not currently have trading relationships with firms/individuals who are Introducer Appointed Representatives under FCA regulations. Please ask us for more details.

## **PRODUCT RANGE**

We have access to leading insurers and often we select your insurance product from a wide range of insurers, however there are times when we use a select panel of insurers/finance providers (please ask us if you would like a list of these insurers) or even a single insurer/finance provider. At our discretion, we offer clients the facility to pay by instalments through BNP or Close Brothers. We will always advise you of our selection range prior to you committing to purchase an insurance policy or take out a finance plan.

In certain circumstances we will use the services of another intermediary to place your insurance and in these circumstances we will always advise you of the name of that intermediary.

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

## **WHAT TYPE OF CLIENT AM I?**

### **Consumer**

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

### **Commercial**

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

## **CONSUMERS - INFORMATION WE NEED TO KNOW**

Your policy document will state your customer classification.

You must take reasonable care to provide complete, accurate and honest answers to the questions we ask when you take out, make changes to, and renew your policy.

Please also tell us if there are any changes to the information set out in the Statement of Fact, certificate of insurance (if applicable) or on your schedule.

If any of the information provided by you changes after you purchase or renew your policy and during the period of your policy please provide us with details.

If any of the information provided by you is not complete and accurate:

- your insurer may cancel your policy and treat it as if it never existed; or
- your insurer may refuse to pay any claim, or

- your insurer may not pay any claim in full, or
- your insurer may revise the premium and/or change the compulsory excess, or
- the extent of the cover may be affected.

In respect of motor policies, it is an offence under the Road Traffic Acts to provide incomplete or inaccurate information to the questions asked in your application for the purpose of obtaining a certificate of motor insurance. Insurers recommend you keep a record (including copies of letters) of all information provided to them or us for your future reference. A copy of the completed application form (if applicable) will be supplied on request within a period of three months after its completion.

### **COMMERCIAL CLIENTS' DUTY OF DISCLOSURE OBLIGATIONS**

Your attention is drawn to the accompanying Duty of Disclosure and Fair Presentation document which sets out a number of your obligations. In addition, the below sets out further obligations which apply to all services that we provide to you when arranging your insurance cover.

You shall provide us with all relevant information in relation to your business to enable us to provide our services. Such information must be provided in a format which allows us to provide a clear presentation to insurers. We can rely on any information provided to us by you and/or your previous insurance broker.

**ALL CUSTOMERS** - It is important you ensure that all statements you make on proposal forms, statement of facts, claim forms and other documents are full and accurate. If a form is completed on your behalf, you should check that answers shown to any question are true and accurate before signing the document.

**You are reminded that it is an offence under the Road Traffic Act to make any false statements or withhold any relevant information to obtain insurance. If you are in any doubt as to whether any information is relevant, you should disclose it or contact the office and ask.**

Insurers recommend you keep a record (including copies of letters) of all information provided to them or us for your future reference. A copy of the completed application form (if applicable) will be supplied on request within a period of three months after its completion.

### **OUR ADVICE**

Upon assessment of your requirements, we will make a recommendation for a particular insurance product. Our advice will be confirmed in a demand and needs statement which will clearly state the reasons for our recommendation. In some circumstances we may not provide you with advice, for example;

- If we renew your insurance cover with your existing insurers without re-broking your insurance, and where no recommendation or opinion on the product's suitability has been provided; and/or
- If we simply provide you with information on a product.

If we do not provide you with advice will always make this clear to you in our documentation.

We act as an agent for you in all circumstances, except when handling premiums, when for your own protection, we are agents of the insurer acting under "Risk Transfer" arrangements. See section HOW YOUR PAYMENTS ARE HANDLED. We have management controls in place to deal with any conflict of interest that may arise.

### **FEES AND CHARGES**

The company reserves the right to charge fees in consideration for the work that it performs. This work is separate from the contract of insurance between the insurer and the insured and any fee will be in excess of and separate from the amount of premium (including tax) charged by insurers. Any standard fee and Commission fees see below will be disclosed separately from the Gross Written Premium to Advance Insurance.

<b><u>PERSONAL LINES</u></b>		<b><u>COMMERCIAL LINES – NEW, RENEWAL &amp; RE-BROKE</u></b>	
New Business:	£100.00	£0 - £499 Gross Written Premium	£100.00
Renewals:	£75.00	£500 - £999 Gross Written Premium	£150.00
		£1,000 & Upwards Gross Written Premium	£200.00
Adjustments: Additional/Return premiums	£35.00		
Duplicate certificate (This could be an insurer's charge)	£30.00	Mid Term Adjustments Additional/Return on policies NOT exceeding £4999 Gross Written Premium	£45.00
		Mid Term Adjustments Additional/Return on policies £5000 Gross Written Premium or above	£100.00
		Commission Fee: Will be discussed at New Business & Renewals	
		Commercial Credit & Debit Cards	At providers %

NB. Due to administration constraints the minimum refund will be £10.00 on any balance due and refunds of premium will be net of loss of commission. On occasion, we may arrange policies with low or nil commission, in which case additional fees may be added. All fees will be advised verbally and/or will be included within the Statement of Price document, before you accept your policy.

### **Instalment Charges**

We use Creation Consumer Finance Ltd (for Personal Lines Insurance) & Close Brothers Premium Finance (for Commercial Lines Insurance) to finance clients who wish to pay by monthly direct debit. We believe this provides the most convenient and cost effective method for a client to manage their

debt. Agreements are for a maximum of 10 instalments.

Creation Consumer Finance Ltd will charge the customer £10.00 on their 2<sup>nd</sup> instalment if they fail to return their credit agreement signed.

- Creation Consumer Finance Ltd will charge the client a £25.00 fee for any default.
- Close Brothers Premium Finance have a minimum service charge of £35.00.
- Close Brothers Premium Finance will cancel all agreements immediately if the client defaults on the first payment, this means the full premium will be due immediately.
- Close Brothers Premium Finance will charge the client a £30.00 fee for any default and a £15.00 fee for any cancellation where the loan amount is under £10,000.
- Close Brothers Premium Finance will charge the client a £50.00 fee for any default and a £125.00 fee for any cancellation where the loan amount is £10,000 and over.

Insurer payment plans may also be available, but could require more than one payment method or plan and may also incur additional administration fees to reflect the additional work involved with individual contracts / plans.

**Claim whilst paying on Instalments** :- In the event of a fault claim your full premium is still due and will be paid to Advance Insurance within 7 days of the date of the claim.

## **OUR REMUNERATIONS**

- We arrange the policy with the insurer on your behalf. For this service, we receive a commission from the insurer, which is a percentage of the total annual premium. We will also charge you fees, depending on the tasks we have performed, and this can be seen in detail on your Statement of Price. You can ask us at any time for details of all our earnings, from whatever source.
- We may receive a share of Profit from Insurers. If received, this will be retained by us in full.
- We receive commission on the balance of premiums financed by the Third Party Finance providers we use, e.g. Creation Consumer Finance Ltd & Close Brothers Premium Finance. This is retained by us in full.

## **CANCELLATION**

We require your written request by e-mail, text or letter to cancel a policy.

### **Cancellation Rights up to 14 days and Charges**

Any policy contract of less than 1 month duration has no cancellation rights.

**Policyholders** have the right to cancel their policy within 14 days. Cancellation period starts the latter of

1. The day of the conclusion of the contract; or
2. The day on which the customer receives all the contractual terms and conditions.

### **Subject to the following charges**

1. Insurers Time on Risk Charge. (No refund will be given if a claim has been reported.)
2. A.I.A Ltd will charge the full commission due on the contract plus, our fees and a cancellation fee of £20.00 up to a maximum income of £65.00 for any New Business or any Renewal.

### **Cancellation Charges after 14 days and Charges**

There are no refunds on short period policies i.e. up to 1, 3 or 6 months' etc. or Road Rescue & Drivers Club policies. Any 'No Claims Bonus' claimed must be confirmed within 30 days of policy inception else the policy will be cancelled using the following scale;

The refund only applies to insurer's premiums, not Fees/Accident Management Charge. (No refund will be given if a claim has been reported.)

- £30.00 plus loss of commission.

Intermediaries Charges are not refundable. Due to administration constraints the minimum refund on any balance due will be £10.00.

For some insurance contracts, insurers will not provide refunds for mid-term cancellation of cover. We will advise you of this if it affects you.

You will receive a quotation that will tell you about any other fees levied by any Insurer or Underwriting Agency relating to a particular insurance policy.

If we are asked to cancel the policy by a third party premium finance provider, we will undertake this action however we will be acting as your agent in the process.

## **REFUND PROCEDURES (outside of cancellation rights or a mid-term adjustment resulting in a refund)**

Where you cancel your personal insurance outside of the 14 day cancellation period or where you cancel your commercial policy at any time, we reserve the right to charge for our time in providing you with advice and for the administration costs involved. This results in us retaining our original commission and fees.

For some insurance contracts, insurers will not provide refunds for mid-term cancellation of cover. We will advise you of this if it affects you.

Taking in to account the administration costs when amending your policy, we do not provide refund payments of less than £10.00.

All refunds will be made via the same payment method used at inception/renewal, if a bank cheque is required a fee of £20.00 would be charged.

## **TERMINATION OF AGREEMENT**

Our agreement may be terminated by either one of us giving 21 days' notice in writing to the other. You will be liable to pay for any outstanding

transactions or adjustments prior to termination without any penalty fee as long as these are settled immediately on termination. We will be entitled to retain any fees or commission payable in relation to business transacted prior to date of the termination.

## **RENEWAL OF CONTRACT**

We will telephone or write to you in good time before your renewal date, to discuss your renewal terms or in situations where we are not inviting renewal, we will advise you.

If we are unable to make contact with you, we will send a quotation in writing based on the previous year's information which will need to be updated before processing any confirmation.

## **HOW AND WHEN TO MAKE PAYMENTS**

You must provide the premium due in cleared funds in accordance with the amounts and payment dates specified in our letter. Failure to meet the payment date may lead to insurers cancelling your policy.

We normally accept payments by cash (subject to a limit), cheque, debit card, credit card or by bank transfer.

It is sometimes possible to spread payments through an insurer's instalment scheme or a credit facility that we have arranged with our preferred premium finance provider. However acceptance will be subject to a credit check.

If you choose to pay for your insurance premium through our selected premium finance provider we will provide you with a breakdown of costs of your monthly instalments and a document outlining key features of the credit agreement.

Please note that cover will cease if you fail to keep up payments under a credit agreement.

**In the event of a claim the full premium will still be due over the course of your instalment period.**

If we are asked to cancel the policy by a third party premium finance provider, we will undertake this action, however, we will be acting as your agent in the process.

## **HOW YOUR PAYMENTS ARE HANDLED**

### **Insurer Monies Trust Account**

We hold all client money as agent of the insurer which means that upon receipt of your premium by us, it is deemed as having been received by the insurer. We hold your monies in an insurer monies trust account with an approved bank under a non-statutory trust arrangement in accordance with Financial Services Authority rules. This 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 to our company before we receive the relevant premium from the client. It is our policy to retain any interest that may be earned on monies held in our insurer monies trust account.

We do not pay any interest on premiums held by us in the course of arranging and administering your insurance, unless, in the case of consumer transactions we receive more than £20 per transaction, and then we will ask for your permission to retain the interest.

## **CLAIMS PROCEDURES**

As part of our service we can assist you with any claim you need to make, and the contact details are given below to enable you make a claim.

- For Motor claims telephone the Advance Insurance 24 hour 365 day Claims Line on 0343 504 3264, or visit the office.
- For Household claims please contact David Fry on 01225 433491 } Between 17:30 & 09:00 contact your
- For Commercial claims please contact Ben Hasler on 01249 463206 } insurer direct see policy booklet for details
- Claims email address – [claims@advanceinsurance.co.uk](mailto:claims@advanceinsurance.co.uk)

All claims/incidents must be notified immediately whether you believe you are liable or not. Any letter or claim received by you must be passed to us immediately and unanswered. Failure to do so could negate insurance cover and you may incur costs. You should not admit liability or agree to any course of action, other than emergency measures to minimise your loss, until you have agreement from your insurers

If you are ever in any doubts as to what action to take in the event of a claim, please contact us.

## **COMPLAINTS PROCEDURES**

Our aim is to provide all of our clients with an excellent level of service. However, we recognise that there could be an occasion when you do not feel satisfied with the service you have received from us. We take complaints very seriously and with this in mind we have developed a Customer Complaints Procedure which lets you know how we will deal with your complaint or issue. Should you need to make a complaint, please contact our Complaints Manager using any of the following methods:

- In writing or in person: Paul Cox, The Complaints Officer, Advance Insurance Agencies Ltd, Imperial House, College Court, Regent Circus, Wiltshire, SN1 1PZ
- By telephone: 01793 522542
- By email: [paul.cox@advanceinsurance.co.uk](mailto:paul.cox@advanceinsurance.co.uk)

The Financial Ombudsman Service (FOS) offer eligible complainants a free independent service for resolving disputes. You may contact the FOS by calling their consumer helpline on:

- Calling their consumer helpline on 0800 0234 567 (free on mobile phones and landlines) or 0300 123 9123 (cost no more than calls to numbers starting 01 or 02)
- Writing to them at: The Financial Ombudsman Service, Exchange Tower, London E14 9SR
- Emailing: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

Further detailed information about the FOS, including a description of eligible complainants, can be found:

- In our Client Complaint Procedure, sent with your insurance documents. Please see this document for our full complaints procedures.
- In the FOS's leaflet 'Your Complaint and the Ombudsman' which we can provide you with, or it is available to download from the Financial Ombudsman Service website.
- On the Financial Ombudsman website: <http://www.fos.org.uk>.

## **SOLVENCY AND COMPENSATION**

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

We are covered by the Financial Services Compensation Scheme (FSCS) for insurance mediation only; this does not extend to consumer credit lending i.e. credit broking. The FSCS is the UK's compensation fund of last resort for clients of authorised financial services firms. You may be entitled to compensation from the FSCS if we cannot meet our obligations. This depends on the type of business and circumstances of the claim.

Insurance advising and arranging is covered for 90% of the claim with no upper limit, although compulsory insurance is protected in full. Further details regarding the FSCS can be obtained from its website [www.fscs.org.uk](http://www.fscs.org.uk).

We are covered by the FSCS. You may be entitled to compensation from the scheme 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 100% of the first £2,000 and 90% of the remainder 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. Consumer credit lending is not covered by the FSCS.

## **DATA PROTECTION**

We will only use your personal data in line with our privacy policy. Please read this carefully before proceeding. By providing your personal data you are consenting to its use in accordance with our privacy policy. A copy of our privacy policy can be found at [www.advanceinsurance.co.uk](http://www.advanceinsurance.co.uk)

We only collect, process and store your information where we have lawful grounds and legitimate business reasons to do so. We collect, use and store your personal information in order to fulfil requests for quotes, products and services as part our insurance broking, claims handling and risk management business. It may also be used to verify your identity, to administer payments and to enable us to carry out anti-money laundering and other financial crime checks where required. If you pay by instalments your information may also be used to arrange credit. The use of your data is essential for us to check your identity, to enable you to enter into an insurance contract and for the insurance to operate (in the event of a claim, for example).

We may also use it to keep our records up to date, to notify you about changes to our service and to help us in developing new products and services. If you do not provide the information required we are unlikely to be able to arrange your insurance and may not be able to provide certain services to you. We may monitor calls, emails, text messages and other communications with you. When you contact us we may keep a record of that correspondence and any information provided to us during that or any subsequent communication. We will not disclose any information to any other parties without written consent, unless required by law or public interest. With regards to marketing, we would like to keep you updated about our relevant products and services by email, SMS and/or telephone. If we intend to use your data for such purposes or if we intend to disclose your information to any third party for such purposes we will only do so with your consent. Your consent will be obtained specifically at the appropriate time. If you have already consented and wish us to stop using your information for this purpose or any other purpose then please contact us. Please see our Privacy Notice for expanded details.

## **CONFLICTS OF INTEREST**

Our company ethics and culture towards customer service means that we never deliberately put ourselves in a position where our interests' or our duty to another party prevents us from discharging our duty to you. 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 we will ask for your consent to proceed.

## **CLAIMS, UNDERWRITING EXCHANGE REGISTER and MOTOR INSURANCE ANTI-FRAUD REGISTER**

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

## **INSURER CREDIT CHECKS**

To ensure our insurers and credit providers have the necessary facts to assess your insurance risk, verify your identity, to help prevent fraud and to provide you with their best premium and payment options, they may obtain information from third parties at quotation and renewal and in certain

circumstances where policy amendments are requested.

This information includes a quotation search from a credit referencing agency. This search will appear on your credit report and will be visible to other credit providers. It will be clear that this is an insurance quotation rather than a credit application by you to pay by monthly instalments.

## **BRIBERY AND CORRUPTION**

Our company culture and ethics mean that we do not bribe or use any other means to improperly influence the decisions of clients, potential clients or government officials. Our business is structured with appropriate systems and controls so as to comply with the requirements of Bribery Act 2010.

## **CONTACT DETAILS**

Chippenham	Address:	6-8 Avon Reach, Chippenham, Wiltshire, SN15 1EE
	Telephone:	01249 461665
	Email:	Chippenham@advanceinsurance.co.uk
Commercial	Address:	7 Avon Reach, Chippenham, Wiltshire, SN15 1EE
	Telephone:	01249 463206
	Email:	commercial@advanceinsurance.co.uk
Westbury	Address:	16 High Street, Westbury, Wiltshire, BA13 3BW
	Telephone:	01373 822369
	Email:	westbury@advanceinsurance.co.uk
Trowbridge	Address:	16 Fore Street, Trowbridge, Wiltshire, BA14 8HA
	Telephone:	01225 433491
	Email:	trowbridge@advanceinsurance.co.uk
Swindon	Address:	Imperial House, College Court, Regent Circus, Swindon, Wiltshire, SN1 1PZ
	Telephone:	01793 522542
	Email:	swindon@advanceinsurance.co.uk
Accounts	Telephone:	01793 286333
	Email:	accounts@advanceinsurance.co.uk

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