



## Kinetic Insurance Brokers Limited: Terms of Business

### INFORMATION ABOUT US

We are Kinetic Insurance Brokers Limited, 7<sup>th</sup> Floor, 50 Fenchurch Street London, EC3M 7HS; an independent insurance intermediary and Lloyd's broker.

With effect from 14 January 2005, we are authorised and regulated by the Financial Services Authority ("FSA"); our permitted business is arranging general insurance contracts. Our FSA Register number is 309540. These details can be checked on the FSA's Register by visiting the FSA's website <http://www.fsa.gov.uk/register> or by contacting the FSA on +44(0) 845 606 1234.

### Relationships

We are a privately-owned insurance intermediary. When we have an arrangement with a proposed insurer to our financial benefit beyond the remuneration we would normally receive, we will let you know. We will also advise you if we have any conflict of interests regarding the services we provide to you.

### Security

We seek insurance only from insurers which meet our financial security criteria, unless we receive specific instructions from our clients to the contrary. However, we cannot and do not guarantee the solvency or continuing solvency of any insurer used. You should note that the financial position of an insurer can change after cover has inception.

**Please read this document carefully.** It sets out the terms on which we agree to act for you 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.

We specifically draw your attention to the following sections:

- The Duty of Disclosure
- Premium Payment and Cancellation
- Client Money Arrangements

### THE DUTY OF DISCLOSURE

The law in the UK requires prospective insureds and their agents to disclose to insurers all "material information" before the contract is made. The obligation is not limited to material information of which they are aware; it extends to matters of which they ought to be aware in the ordinary course of their business or affairs.

Information and circumstances are material if they "would influence the judgement of a prudent insurer in fixing the premium or determining whether he will take the risk". Information may be deemed to influence the judgement of a prudent insurer and be material even if it would not necessarily have led him to decline the risk or to have set an increased premium. If there is any doubt whether information is material, it ought to be disclosed to insurers.

In addition, prospective and actual insureds and their agents are obliged to act at all times towards insurers with utmost good faith. This means that both parties (insurer and insured) must enter into the contract in good faith and must disclose all relevant facts with the intent to carry out their respective obligations.

Any failure to disclose any material information to insurers or breach of the duty to act with utmost good faith may entitle insurers to avoid the policy of insurance from inception if the breach induced the making of the contract on the relevant terms. This means insurers would be entitled to act as if the policy had never existed.

The duties of utmost good faith and disclosure also apply to the claims process and to any situations during the period of the policy in which the insured is required, under the terms of the policy or otherwise, to provide information to insurers; this includes an extension or amendment or renewal of any policy.

In completing a proposal or claim form, or other document relating to an insurance policy, the accuracy of all answers, statements and/or information is the insured's sole responsibility.

### PREMIUM

We invoice our clients for the premium due plus any taxes which insurers are obliged to collect in respect of the contract of insurance.

Insurers may include a premium payment condition as a term of the insurance. Failure to comply with the terms of this clause may result in insurers issuing a notice of cancellation; and failure to pay insurers the premium in full before the notice period expires will enable them automatically to terminate their obligations under the policy. We will inform you of any such requirements and the relevant date(s).

In some cases, insurers may impose a warranty under the terms of which the premium must be paid to them by a certain date; failure to comply with the exact terms of the warranty will enable the insurer automatically to terminate its obligations under the policy. Again, we will inform you of any such requirements and the relevant date(s).

Unless agreed in advance and specifically stated on our debit note to you, all premiums should be paid to us no later than 10 business days prior to the settlement due date required by your insurers and notified by us. This is to allow us sufficient time to pass cleared funds to your insurers

### CANCELLATION

In the event of cancellation of the insurance contract after inception, insurers may return a pro rata premium to us; once our remuneration has been earned our brokerage or fees will not usually be returnable. We therefore reserve the right to retain our brokerage or fees in full in such circumstances.

### DOCUMENTATION

We will issue documentation confirming the details for the policy purchased, including the identity of your insurers.

We will advise you of the date(s) on which any premiums are due and, if relevant, the consequences of late-payment.

Where required by regulation we will also:

- Include with your policy confirmation a statement setting out your demands and needs as understood by us;
- Confirm whether the contract had been personally recommended and, if so, the reasons for making that recommendation;
- Include a summary of the key aspects of your policy;
- Provide you with renewal terms in good time before the expiry of your policy, or notify you that renewal is not being invited.

It is important that you:

- Read all your documentation carefully and inform us immediately if you have concerns with the coverage arranged for you; and
- Keep your insurance documents in a safe place while your policy remains open to you to make a claim.

### CLAIMS

You should notify us at the above address as soon as possible of a claim or circumstances which may give rise to a claim. It will help if you are able to advise us of the Kinetic reference number stated on your cover note or policy document. We will advise you what you need to do to pursue your claim; you should note you will need to state all material facts concerning the claim.

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

We will provide you with every assistance in submitting a claim and seeking to obtain reimbursement. However in the event that an insurer becomes insolvent or delays making settlement we do not accept liability for any unpaid claims.

### REMUNERATION

The method of remuneration for our services to our clients is normally either in the form of a proportion of the insurance contract premium, which is set by Underwriters and known as the commission or brokerage; or a fee previously agreed with you. If we receive any other remuneration in connection with the services we provide to you, we will let you know. We reserve the right to charge for your services should you cease to be our client but wish us to continue to act on your behalf.

Prior to the conclusion of each insurance contract, we will remind you of your right to be advised of the level of commission we receive from underwriters.

You are entitled, at any time, to request information regarding any commission that we may have received as a result of placing your insurance business.

### CLIENT MONEY

Client Money is money that we receive and hold in the course of carrying on insurance mediation on behalf of our clients or which we treat as client money in accordance with the requirements of the FSA's client money rules.

### Non Statutory Trust

We keep client money with Lloyds TSB Bank plc; it is separate from our own money and subject to a non-statutory trust as prescribed by the FSA. 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. We only take our remuneration from client money when we receive the relevant premium from the client.

### Interest on Client Money

Any interest or exchange gains realised from client money by us will be retained by us.

### COMPLAINTS

It is always our intention to provide a high standard of service. If our service falls below the standard our clients reasonably expect and they have cause for complaint, we endeavour to ensure that at the appropriate stage the matter is handled fairly and promptly by a suitably senior and independent member of staff.

If you wish to register a complaint then please contact the Compliance Officer in writing at the address above; or by telephone at +44 (0) 20 7283 9142; or by email at [info@kineticbrokers.com](mailto:info@kineticbrokers.com).

If we consider that your complaint is not with regard to our performance (for instance, if the complaint concerns the performance of our insurer), we will endeavour to put you in contact with an appropriate person to whom your complaint may be addressed.

We have a formal complaints procedure which complies with FSA requirements and which we will send to you on receipt of a complaint.

If we are unable to settle your complaint, you may be entitled to refer it to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR; telephone on +44(0) 845 080 1800; email [www.financial-ombudsman.org.uk](mailto:www.financial-ombudsman.org.uk).

### COMPENSATION

Depending on the type of business and the circumstances of the outstanding claim, you may be entitled to compensation from the Financial Services Compensation Scheme ("FSCS") if we cannot meet our obligations to you.

Full details and further information on the scheme are available from the FSCS at Lloyds Chambers, Portsoken Street, London E1 8BN; telephone +44(0) 20 7892 7300; email [enquiries@fscs.org.uk](mailto:enquiries@fscs.org.uk).

### DATA PROTECTION

We are registered under the Data Protection Act 1998 and we undertake to comply with Act in all our dealings with a client's personal data.

### 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.