

# Client Agreement



HEATH LAMBERT LIMITED ("HLL/WE") WHOSE REGISTERED OFFICE IS AT FRIARY COURT, CRUTCHED FRIARS, LONDON EC3N 2NP

## COMMENCEMENT AND TERM

1. This Client Agreement shall apply with effect from the date that we provided it to you and shall be deemed to be the basis upon which we conduct business with you. It will continue until terminated in accordance with paragraphs 44 and 45 or until terminated by either party upon three months written notice to the other. Any termination of this Agreement shall not affect any rights obligations or continuing duties which existed prior to the termination.

2. Please read this Agreement carefully as it sets out our respective obligations. It also contains information that the Financial Services Authority (FSA) requires us to provide.

## DEFINITIONS

3. In this Agreement, reference to "insurers" shall be construed to be a reference to insurers (or, where applicable, reinsurers), underwriters, markets or managing agents with whom we place insurance business.

4. Words in the singular shall include the plural where the context requires and vice versa.

## OUR RELATIONSHIP – STATUS DISCLOSURE

5. HLL is authorised and regulated by the FSA and are a Lloyd's Broker. Our FSA firm reference number is 312030. We are permitted by the FSA to conduct business as a general insurance intermediary.

6. You can verify our name, address and statutory status on the FSA's website at [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register). The FSA's telephone number is 0845 606 1234 (+44 (0)20 7066 1000 from overseas).

7. HLL is a subsidiary of Heath Lambert Group Limited and ultimately Heath Lambert Holdings Limited, which are parent companies of Eastwood Insurance Company Limited and Friary Court Insurance PCC Limited, Guernsey incorporated insurance companies.

8. When selecting insurers to provide quotations we will always base our selection on a fair analysis of the market unless we tell you otherwise at the time of providing such a quotation.

9. We have arrangements with some insurers whereby we are given what we consider are preferred terms and conditions for certain insurance products. In many cases those insurers grant us authority to accept business on their behalf.

10. We may place your business under one of these arrangements in the following circumstances:

- a) where we consider that to do so would match your requirements or instructions;
- b) where we provide terms exclusively from those insurers for the type of business that you require.

11. In the event that 10 b) applies we will specifically advise you at the time of providing the quotation, since in that situation our terms may not represent a fair analysis of the market.

12. We have some arrangements that allow us to select from a limited number of insurers for certain insurance products. Where these arrangements exist we will advise you at the time of quoting since this may not represent a fair analysis of the market. In these circumstances you may request a list of the relevant insurance undertakings.

## FINANCIAL SECURITY OF INSURERS

13. As insurance intermediaries, HLL reviews and assesses the financial status of insurers with whom we place business. To do so, we use public information including that produced by credit rating agencies. HLL does not, in any circumstances guarantee or warrant the solvency of any insurers. The decision as to the suitability of any particular insurers rests with you. If you have any concerns about the insurers please let us know as soon as possible.

14. In the event of insurers' insolvency, policy holders may still have a liability to pay premium.

## COMPLAINTS PROCEDURE

15. We greatly value our business relationship with you. Our aim is that you should benefit from our commitment to a high quality service using our experience and breadth of insurance broking expertise.

16. As part of our commitment to provide a high quality service we have developed a formal complaints procedure. We will always endeavour to give you the highest standards of service but please be aware that should you ever have cause to make a complaint, it can be made orally, by e-mail, telephone or in writing. In the first instance you should address your complaint to the Divisional Compliance Officer at the branch or division

that you deal with. However, you always have the alternative of addressing your complaint directly to:

Group Compliance Department  
Heath Lambert Group  
Friary Court  
Crutched Friars  
London EC3N 2NP  
Tel: +44 (0)20 7560 3244  
Fax: +44 (0)20 7560 3269  
Email: groupcomplaints@heathlambert.com

You may also obtain a copy of our written complaints procedures from the Group Compliance Department.

17. If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service.

18. If you take your complaint to the Financial Ombudsman Service, they may wish to have access to the files that we hold in relation to your insurances. Unless you request otherwise in writing, if we are requested by the Financial Ombudsman Service to provide any such files to them, HLL will pass on such files to them without further reference to you.

#### **FINANCIAL SERVICES COMPENSATION SCHEME**

19. The FSA operates a compensation scheme known as the Financial Services Compensation Scheme. We are covered by this Scheme, which is designed to respond in the case of intermediary (or insurer) insolvency. You may be entitled to compensation from the Scheme if we cannot meet our financial obligations. Whether you will be entitled to compensation (and the amount you may receive) depends on the type of business and your circumstances. However, if you have an eligible claim in respect of our brokerage activities, the Scheme will pay 100% of the first £2,000 of any loss you suffer and 90% of the remainder of your loss, without any upper limit (for certain types of insurance you may receive more). Further details regarding this Scheme are available at [www.fscs.org.uk](http://www.fscs.org.uk).

#### **YOUR OBLIGATIONS – DUTY OF DISCLOSURE**

20. Insurers must be presented with a fair and complete statement of the nature of any risk submitted to them. The omission of material facts in the presentation to insurers, whether intentional or accidental may lead to the insurers avoiding any insurance coverage arranged. A circumstance is material if it would influence the judgement of a prudent insurer in calculating the premium or assessing whether he would accept the risk. Accordingly, you must provide all the facts material within such submission and to update this information where relevant between initial enquiry and attachment of any cover and during the term of any policy. This applies equally to new orders, adjustments, renewals, extensions of cover and endorsements.

21. For certain classes of business you may be required to complete a proposal form, or questionnaire. We will be happy to provide guidance concerning the comprehension of such a document but we are not able to complete it on your behalf. You must satisfy yourself of the contents of the proposal form or questionnaire. Please note that your obligation to provide material information to insurers is an overriding obligation. That insurers do not request specific information within a proposal form or questionnaire does not mean that such information is not material. If you are in any doubt as to whether information is material you should disclose it.

#### **POLICY DOCUMENTATION**

22. The terms and conditions of insurance contracts arranged will be evidenced to you in writing. Please check these documents and advise us without delay if the terms of the coverage arranged are not in accordance with your requirements. Please pay special attention to the claims notification provisions

and to any warranties and conditions as any failure to comply, may invalidate coverage.

23. In relation to some types of insurance, claims may be made after the expiry date of a policy. It is therefore important that you retain such policies safely.

24. It is our current practice to retain client information for at least 6 years. After this period, the client information may be destroyed at our discretion without notice to you.

#### **PREMIUM PAYMENT**

25. Insurers require you to settle premium at or prior to inception of each policy or at the date of any invoice/debit note in relation to any adjustment premiums, unless otherwise agreed in writing. We accept no liability to pay premium to insurers unless we have received cleared funds.

26. Unless specifically agreed otherwise, no deductions (such as claim monies or return premiums) are to be made from the premium due to insurers when making payment to us.

27. Insurers may impose time limits within which premium has to be paid. It may be a condition or warranty of the policy that if payment is not made by a certain date, that cover will not continue or the insurers may be able to treat the contract as at an end. Insurers may also require that you pay a premium in relation to any time on risk. It is therefore very important that you meet all payment dates.

#### **CLIENT MONEY**

28. When we receive any monies from you or for payment to you, they will be held by us on one of two bases a) as agent for the insurer concerned or b) on your behalf within a non-statutory trust client account.

29. If we receive monies (premiums or claims) as agent of the insurers concerned, we hold it on their behalf. This means, for example, that if you pay a premium to us, it is treated as having been received by the insurer and you cannot be asked to pay again, for example if we do not pay it to the insurer.

30. "Client money" is money of any currency which we hold on behalf of our clients including you. The FSA rules require us to keep client money in one of two types of account:

- a) a statutory trust account; or
- b) a non-statutory trust account.

Both types of account have to be with an FSA-approved bank and we must keep client money entirely separate from our own money.

31. All client monies received by us will be held within a non-statutory trust client account and will be governed by the FSA client money rules. Upon request, we will provide you with a copy of the relevant Trust Deed. Under a non-statutory trust client account, we may use money held on behalf of one client to pay another client's premium before the premium is received from that other client, or to pay claims and premium refunds to another client before we receive payment from the insurer.

Under the FSA client money rules, we are required to satisfy the following conditions:

- a) We maintain adequate systems and controls to monitor and manage all client money transactions and the credit risk arising from the operation of the trust arrangements.
- b) We must obtain and keep current written confirmation from our auditor that there are adequate systems and controls in place as in a) above.

We are also required to keep client money separate from our own money. We normally do this by holding money in a client bank account. However, under a non-statutory trust client account, we may also hold certain approved investments with a value at least equivalent to the money that would otherwise have been held in a client bank account. If we do this we will be responsible for meeting any shortfall in our client account, which is attributable to falls in the market value of an investment. Any investments we hold in this way will be kept separate from our other investments.

32. In the unlikely event of HLL being placed into administrative receivership, administration or any other form of liquidation (whether voluntary or otherwise), the segregation of client and our own money is important for the effective operation of the trust that is created to protect client money. The aim is to clarify the difference between client money and general creditors' entitlements. In the event of the failure of HLL and a shortfall arising, the total of monies held in the non-statutory trust client account, would then be split amongst clients in proportion to the amount of client money owed to each of them.

#### **BROKERAGE AND COMMISSION**

33. Unless we agree with you otherwise, we are remunerated by way of brokerage or commission determined by insurers. We may have agreed to act for a fee in lieu of brokerage.

34. In the event that a policy is cancelled mid-term or your insurances are transferred to be handled by another broker, we will be entitled to all brokerage or commission in respect of the policies we have placed on your behalf whether paid before or after the cancellation of cover, or transfer of insurances to another broker.

35. In circumstances in which we are acting for a fee, if you transfer your insurances to another broker, we will be entitled to the full annual fee.

36. We do not earn income from insurers under volume based agreements, however we may earn income from insurers or other sources in other ways. Upon request, these earnings will be fully disclosed if they are in connection with any policy we may arrange for you.

#### **CLAIMS NOTIFICATION AND AGREEMENT**

37. It is your duty to notify all claims and/or circumstances that may give rise to a claim promptly and within the terms and conditions of any claims notification clauses/provisions of the policy of insurance.

38. It is your responsibility to prove your loss. You will therefore be required to provide to insurers all documentation and information in order to substantiate any claim made under the policy.

39. Unless agreed otherwise, we will provide you with assistance in submitting a claim and seeking to obtain reimbursement from insurers. However, should any insurer become insolvent, we are not legally responsible for any shortfall in amounts due to you as a consequence.

40. In the event that we are acting for insurers under delegated settlement authority, and a conflict of interest arises, we will advise you immediately and seek your instructions.

41. When claims payments have been received on your behalf, they will be remitted to you promptly.

#### **CONFIDENTIALITY**

42. We agree to keep any information obtained from you confidential, and only use it for the purposes of placing insurance, or as specifically agreed with yourselves. We may therefore have to pass it to insurers.

#### **INTELLECTUAL PROPERTY RIGHTS**

43. You shall not acquire by reason of this Agreement or otherwise any right to or interest in any of our intellectual property rights.

#### **TERMINATION**

44. Either party may terminate this Agreement forthwith by written notice to the other if:

- a) the other party shall be unable to pay its debts as and when they fall due within the meaning of Section 123 of the Insolvency Act 1986 other than due to a failure to pay a sum or amount demanded in respect of a written demand which is vexatious; or
- b) an order is made or an effective resolution is passed or a petition is presented (other than a vexatious petition or one which is withdrawn within 21 days of service) for the winding-up of the other party, otherwise than for the purpose of amalgamation or reconstruction upon terms previously approved in writing by both parties; or
- c) the other party shall convene a meeting or propose or enter into any arrangement or composition with its creditors; or
- d) any distress or execution or other process is levied or enforced upon or sued out against any part of the other party's assets and is not paid out or discharged within 28 days; or
- e) a receiver, administrative receiver, or manager is appointed of the whole or any material part of the assets or activities of the other party; or
- f) directed to do so by any Regulatory Authority or if HLL's authorisation by the FSA to conduct insurance mediation activities business is revoked; or
- g) the other commits a material breach of any term of this Agreement and, except in the case of a breach not capable of being remedied, such breach has not been remedied within thirty (30) days of a written request to remedy the breach.

45. Unless we agree otherwise, this Agreement shall terminate automatically upon the expiry or earlier cancellation of the last of the policies placed by us on your behalf. In the event that a policy is not renewed with us, we may seek a fee for our future handling of any claims files.

#### **DATA PROTECTION**

46. Both parties shall comply at all times with the Data Protection Act 1998 (the DPA) and any regulations made under the DPA and in particular with the data protection principles set out in the DPA and with all relevant guidelines and guidance notes issued from time to time by the Information Commissioner, as applicable to each of those parties.

47. Where personal data is supplied or disclosed by one party to the other, the other party will:

- a) ensure that such personal data is only used for purposes for which appropriate consent has been given by the data subject; and
- b) notify the disclosing party of any request it receives from data subjects for subject access or changes to such personal data under the DPA or any correspondence with the Information Commissioner in relation to such personal data.

**MISCELLANEOUS**

48. Any and all prior understandings, arrangements, agreements or practices relating to insurance business which HLL or any of its subsidiaries or associates place are replaced by this Agreement which is to be construed as containing all the terms and conditions between the parties.

49. No amendment to this Agreement shall be of any force or effect unless in writing and signed or executed by both parties.

50. This Agreement may not be assigned by either party without the express written consent of the other party.

51. Any failure of either party to take advantage of a breach of this Agreement by the other party shall not be deemed to constitute a waiver of any rights to enforce the terms and conditions of this Agreement whether arising by virtue of that breach or otherwise.

52. The parties agree to exclude the application to this Agreement of the Contract (Rights of Third Parties) Act 1999.

53. This Agreement shall be governed by and construed according to Law of England and Wales and any disputes in relation hereto may be determined by the Courts of England and Wales.

**Please complete in BLOCK CAPITALS sign and return one copy to us to:  
Sam Davies, Heath Lambert Group, Focal Point, 27-35 Fleet Street, Swindon SN1 1RG**

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**Agreed by:**

**For and on behalf of:** \_\_\_\_\_

**For and on behalf of:** Heath Lambert Limited

**Full name:** \_\_\_\_\_  
(IN BLOCK CAPITALS)

**Full name:** Adrian Colosso

**Signature:** \_\_\_\_\_

**Signature:** 

**Title:** \_\_\_\_\_

**Title:** Group Managing Director

**Address:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ Post Code \_\_\_\_\_