



TERMS OF BUSINESS AND PRACTICES

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MILES SMITH
INSURANCE SOLUTIONS



The purpose of this document is to set out the basis of the way in which we conduct our business. What follows is a summary of the principles and practices which govern the way we operate. By asking us to quote for, arrange or handle your insurances, you are providing your informed agreement to these terms of business.

Miles Smith Insurance Solutions Limited is an Appointed Representative of Miles Smith Limited (our Principal) which is authorised and regulated by the Financial Conduct Authority (FCA). This can be checked on the FCA register at www.fca.gov.uk/register/ or telephone 0800 111 6768.

The principles of utmost good faith and integrity have been enshrined within the London insurance market for over 300 years. These same principles form the basis of our business culture.

Our service

The permissions granted to our Principal by the FCA allow us to deal with non-investment insurance contracts. We deal with both advised and non-advised sales. We shall let you know in writing if we arrange insurance for you but do not offer advice. We aim to treat our customers fairly at all times. In providing our service, we may sometimes act as an agent of the insurer. We will inform you if this situation arises.

If you are unsure about any aspect of our terms of business or have any questions regarding our relationship with you, please contact us.

Insurers

Following an analysis of the market, we use a limited number of insurers who are best suited to our requirements. We are not obliged to conduct business in this manner, but do so in the best interests of our clients. You may ask us for a list of the insurers we deal with.

Whilst we are unable to guarantee the solvency of any insurer, stringent checks are made on all markets used.

Holding by an Insurance Undertaking

Miles Smith Limited and Miles Smith Insurance Solutions Limited are 100% owned subsidiaries of Miles Smith Holdings Limited. The Trustees of Lloyd's Syndicate 2001 Premium Trust Fund holds 25.8% of the voting rights and capital of Miles Smith Holdings Limited. Syndicate 2001 is managed by Amlin Underwriting Limited, a member of the Amlin Group of Companies. Amlin also trades as Summit at Lloyd's, Eclipse at Lloyd's and Drysdale's.

Documentation

We will confirm in writing details of all covers effected including the identity of the insurer. Our aim is to provide all correspondence in a simple and understandable format. It is important that you read all insurance documents issued to you and ensure that you are aware of the cover, limits and other terms that apply. Particular attention must be paid to any warranties and conditions as failure to comply with them could invalidate your policy and claims may not be paid. In the event of any remaining areas of uncertainty, please contact us. Our staff are always happy to clarify the cover provided. We want to make it easy for you to do business with us. We monitor to ensure prompt production of policy documentation by insurers.

We recommend that you retain all paperwork relevant to your insurances, as this may be useful for future reference.

Payment

We will provide you with a quotation before your insurance arrangements are concluded. This will tell you the total price to be paid and identifies any fees, taxes and charges separately from the premium. We will provide you with a debit note detailing the amounts due and the terms of payment. Some insurers include terms of settlement on certain contracts; others require that the premium be paid within certain strict guidelines. This is a condition of the policy and must be complied with to ensure that payment schedules are met in full. Failure to meet deadlines can lead to a policy being cancelled and render the contract void.

Statement of account

It is our practice to send a statement to our clients on a regular basis with details of debit and credit notes included. All balances must be settled within the terms of credit. In the event of any uncertainty with regard to any item, please notify us as soon as possible to allow such matters to be resolved.



Handling money

Generally insurers have appointed our Principal on a 'Risk Transfer' basis to act as their agent in collecting premiums and handling refunds due to clients. In these circumstances such monies received by our Principal are deemed to be held by the insurer(s) with whom your insurance is arranged. We will notify you if 'Risk Transfer' applies. For the purpose of some transactions, money may pass through other authorised intermediaries before being paid to the insurer.

In other cases our Principal will hold premiums and refunds in a non-statutory trust account with an approved UK Clearing Bank pending payment. The establishment and operation of the non-statutory trust account follow the rules of the FCA to protect money held by authorised intermediaries. We are permitted to use such client money to advance credit to clients generally. Client money will cease to be client money when paid to the insurer, or a third party with 'Risk Transfer' from the insurer, or when paid to the client in respect of refunds or claims. A copy of the Deed of Trust is available on request. If you object to your money being held in a non-statutory trust account you should advise us immediately. Your agreement to pay the premium together with your acceptance of these terms of business will constitute your informed consent to our holding your money in a non-statutory trust account.

Remuneration and other earnings

We receive remuneration for our services by receiving a percentage of the insurance premium by way of commission or brokerage. Alternatively an agreed administration fee may be charged or in some instances a combination of a fee and brokerage. Our commission will be deducted upon receipt of the premium from you (unless your insurer indicates to the contrary) and consistent with market practice this will be before we pay the money to insurers.

We may earn income in a number of other ways. Some insurers may provide efficiency fees or production over-riders periodically to reflect the benefit of receiving large amounts of business from a single source that has been handled promptly and efficiently. Occasionally certain insurers may wish to reflect the profitability of our account with them by way of payment to us. We may also earn interest in the processing and collection of premiums and the recovery of claims. Any such interest is to the account of Miles Smith. On request we will be pleased to provide information about any remuneration and other earnings received by us in the handling of your insurances.

Cancellation of your insurance and refunds

Your insurance contract may include a cancellation clause. The terms of your policy may allow insurers to retain the premium in full or in part in the event of cancellation before the policy expires. In the event of a refund of premium due to cancellation or otherwise when our remuneration has been earned, our brokerage or fees will not normally be returnable but are always in line with our remuneration policy detailed above.

We would also draw your attention to the section headed 'Ending your relationship with us', which you will find towards the end of the document.

Conflict of interests

Occasions can arise where we, one of our associated companies, clients, or insurers, may have a potential conflict of interest with business being transacted for you. If this happens, and we become aware that a potential conflict exists, we will write to you and obtain your consent before we carry out your instructions and we will detail the steps we will take to ensure fair treatment.

Introductions

We may enter into agreements for the introduction of business to the company. The agreements provide for the remuneration of such introducers.

Confidentiality

All information provided by our clients is considered to be confidential and is only disclosed in the normal course of negotiation and maintenance of insurance transactions undertaken on their behalf. We will not release information to any other party without the prior consent of the client except in exceptional circumstances. For example, information requested by a court of competent jurisdiction, a regulatory body or information which is already in the public domain.

You consent to information obtained, during the course of negotiating a claims settlement on your behalf, being used by us in the negotiation of a claim with the same insurer for another Miles Smith Group client or clients provided such information is shared with that insurer only. This arrangement enables us to provide a more effective claims handling service to our clients without compromising the confidentiality of client information.



Use of personal data

We will process any personal information we obtain in the course of providing our services to you in accordance with the Data Protection Act 1998. In administering your insurances it will be necessary for us to pass such information to insurers and other product or service providers which may also provide us with business and compliance support.

We may also disclose details to relevant parties, as necessary, to comply with regulatory or legal requirements. We may contact you or pass your details to other companies associated with us in order to promote products or services which may be of interest to you. We will not otherwise use or disclose the personal information we hold without your consent.

Some of the details you may be asked to give us, such as information about offences or medical conditions, are defined by the Act as sensitive personal data. By giving us such information, you signify your consent to its being processed by us in arranging and administering your insurances.

Subject to certain exceptions, you will be entitled to have access to your personal data and sensitive personal data for which you will be charged a fee of £10. If at any time you wish us, or any company associated with us, to cease processing any of the personal data or sensitive personal data we hold, or to cease contacting you about products and services, please write to our Compliance Officer.

Premium payment agreement

You may be offered the opportunity to pay premiums by instalments by bank transfer. Once established we are not permitted to change any schedule unless previously advised in writing. All premiums notified as part of an instalment plan must be completed as per the contract. Any failure to meet the financial requirements can prejudice the contract and render it voidable.

Claims

To assist us to process any claim made by you it is vital that you notify us promptly when an incident, which may give rise to a claim, occurs. Delays may prejudice negotiations and entitle the insurer to repudiate the claim. In the event of uncertainty the incident should always be reported. For assistance and advice please contact our Claims Manager.

At the conclusion of any claim we will issue confirmation notices to you detailing the settlement sum and any excess deducted. Should this amount appear on any statement of account in lieu of payment we will endeavour to settle this without delay. Any credit should not be taken until it is shown on the statement of account.

Complaints

In the event that our service does not meet your expectations, we ask you to make a complaint to us by contacting our Compliance Officer, either by telephone or in writing. We will acknowledge your complaint promptly, explain how we will handle it, and tell you what you need to do. We will keep you informed of the progress of your complaint.

We will handle your complaint fairly and, as part of our quality procedures, we will use it to maintain and improve our client service.

Should you remain dissatisfied you may have the right to refer the matter to the Financial Ombudsman Service (FOS) or to an Approved Dispute Resolution Facility. We enclose documentation detailing our Complaints Procedure.

Financial Services Compensation Scheme

We are a member of the Financial Services Compensation Scheme (FSCS), which means you may be entitled to compensation if we cannot meet our liabilities. Further information about the compensation scheme arrangements is available from the FSCS at www.fscs.org.uk.

Your duty to make a fair presentation of the risk

Your insurance is based upon the information provided to the insurance company and you are required to present the risk (i.e. the subject matter of the proposed insurance) fairly. This means that you must disclose to insurers, before the setting up or renewal of your insurance policy is concluded, anything that might influence the judgement of an insurer in fixing the premium, setting the terms or determining whether they would take the risk. If you are uncertain whether anything is material, you should disclose it.

In order to identify what must be disclosed, you are obliged to carry out a reasonable search before presenting the risk to insurers. This includes (but is not limited to) consulting with all senior managers. A senior manager is anyone who plays a significant role in the making of decisions about how your activities are to be managed or organised, regardless of whether or not that individual is a member of your board or is formally in a management role. You must also consult with anyone who has particular knowledge about the risk to be insured.



If you deliberately or recklessly (i.e. without care) fail to comply with your obligations to present the risk fairly, insurers may avoid the policy. This means they can retain all premiums and treat the policy as if it never exist and refuse to make any claims payments. You could also be obliged to repay any claims payments that had already been made.

If you fail to present the risk fairly, but your failure was neither deliberate nor reckless, insurer's response will depend upon what would have happened if you had complied with your obligations:

- a) if insurers would not have provided the policy, they may treat the policy as if it never existed, refuse to make any claims payments and demand the return of any claims payments already made. However, insurers would have to return any premium payments already made;
- b) if insurers would have provided the policy but on different terms, the policy will remain in force but will be treated as if those different terms applied from the start of the policy. This could result in a claim not being met in part or in full;
- c) if insurers would have provided the policy but charged a higher premium, insurers may reduce any payment in proportion to the difference between the premium charged and the premium that would have been charged if you had fairly presented the risk. This could result in a significant reduction to the amount of any payment under the policy.

All statements and facts disclosed on proposal forms, statement of facts, claim forms and other documents should be full, true and accurate and must be given after undertaking a reasonable search, including consulting with your senior management.

It is your responsibility to make sure that the information to be submitted to the insurer is presented in a way that the insurer will find reasonably clear and accessible. Where a large amount of information is provided you will need to ensure that it is organised in a structured way with appropriate indexing and signposting to enable the insurer to navigate to what is important.

Third Party (Rights Against Insurers) Act 2010

Where an insured becomes insolvent and has incurred a liability to a third party, the third party may be entitled under the Third Party (Rights Against Insurers) Act 2010 ("the Act") to make a claim against the relevant insurer directly. Pursuant to this right the third party will be entitled under the Act to obtain policy information from any party it believes holds that information including the insured's broker. That party has twenty-eight days in which to comply with the request for information. Where we receive a request under the terms of the Act we will contact you and discuss the request before releasing any information. If we are unable to make contact with you we will not be in breach of our duty of confidentiality to you by releasing information in response to such request, even where it transpires that you are not insolvent nor have you incurred a liability to the third party, provided we have made reasonable efforts to establish the facts.

Ending your relationship with us

Subject to your immediate settlement of any outstanding premiums and fees, you may instruct us to stop acting for you and we will not impose a penalty. Your instructions must be given in writing and will take effect from the date of receipt.

In circumstances where we feel we cannot continue providing services to you, we will give you a minimum of 7 days notice.

Unless otherwise agreed in writing, if our relationship ends, any transactions previously initiated will be completed according to these terms of business. You will be liable to pay for any transactions concluded prior to the end of our relationship and we will be entitled to retain commission received for conducting these transactions, together with all fees charged by us for services provided.

Telephone calls to us

You should note that telephone calls to us may be monitored or recorded for security and training purposes.

Paul B Chainey
Chief Executive Officer

