

## Terms Of Business Agreement

### **About us**

AVA Insure Ltd which (FCA Reference 595944) is an appointed representative of Financial Management (U.K.) Ltd. (FCA Reference 302899). Financial Management (U.K.) Ltd is authorised and regulated by the Financial Conduct Authority. The company is registered in England & Wales (Company No: 8398795). Our permitted business is advising, arranging, dealing as agent, assisting in the administration and performance of a contract and credit broking in respect of non-investment retail and commercial insurance policies, for and on behalf of consumers and commercial customers. Our details and the extent of our authorisation can be checked on the Financial Services Register by visiting the website <http://www.fca.org.uk/register/> or by contacting the FCA's consumer helpline on 0800 111 6768.

### **Accepting our Terms of Business**

By asking us to quote for, arrange or handle your insurance, you are providing your informed agreement to these Terms of Business. We draw your particular attention to:

- The section headed "Use of personal data", specifically the paragraph explaining how "sensitive personal data" will be used and the sub-section titled "Credit checks"; and
- The section heading "Handling money" which explains our terms for handling client money in a Statutory Trust account.

For your own benefit and protection, you should read these terms carefully. If you are unsure about any aspect of our Terms of Business or have any questions regarding our relationship with you please contact us at the above address or call us on 020 8127 0304.

### **Voice Recording**

Please note that we may record/monitor calls for quality and training purposes.

### **Consumers/Commercial Customer**

A Consumer is defined as a customer who enters into a contract of insurance as an individual wholly or mainly for the purposes of personal use and not related to the individual trade, business, craft or profession. A Commercial Customer is defined as a customer who enters into a contract for anything other than the purposes mentioned above.

### **Your duty of disclosure**

**Consumers:** You must take reasonable care not to make a misrepresentation to insurers based on your knowledge of the risk presented. This means that all the answers you give and statements you make as part of your insurance application, including renewal and when midterm adjustments are required should be honest and accurate. If you deliberately mislead the insurers or wilfully fail to disclose relevant information a prudent insurer may consider material this could prejudice a claim and may result in all or part of the entire claim not being honoured.

**Commercial Customers:** If the insurance is arranged wholly or mainly for the purposes related to your trade, business or profession you have a duty to disclose all material facts whether or not the insurer asks for it during the application process. This duty continues throughout the life of your policy and on renewal of your policy. Material facts are defined as any facts which may influence the insurer's decision to accept the policy and/or what terms are applied. Failure to disclose a material fact may invalidate your insurance and may result in the all or party of the claim not being honoured.

### **Policy Terms, Conditions and Warranties**

It is important that you read through all of the Terms, Conditions and Warranties shown on your policy documentation. Please ensure that you understand them and are able to follow the requirements completely and pay particular attention to any declaration you may be asked to sign. If not, please advise us immediately, as any breach may allow your insurers to terminate the contract of insurance from the date of that breach, and/or void a claim under the policy. Also note that this is applicable to any mid-term adjustments to your policy, noting that these requirements continue throughout the policy terms unless otherwise notified.

### **Employers Liability Tracing Office (ELTO) Requirements**

Commercial customers who have taken out an insurance contract, are required to provide us with the Employee Reference Number on inception of a new policy or renewal should this have not been done previously. This is in order to comply with new regulations issued by the FCA in February 2011, the purpose of which is to provide a central database of EL records should a historic claim arise. This reference is made up of two parts: a three-digit HMRC office number and a reference number unique to your business. It will be provided to you in your employer's welcome pack when you register with HM Revenue and Customs, and will also appear on a range of correspondence from HMRC.

### **Our Service**

Our role is to advise you and, after we have assessed your needs, to provide you with a suitable personal recommendation explaining why the product recommended best meets your requirements.

### **The capacity in which we act for you**

We act as an insurance intermediary, not an Insurer. We will usually act on your behalf when arranging your insurances, when helping you make any changes to your policy or when you renew your insurance. If there are any circumstances when we act as an agent of the insurer (e.g. in binding the insurer to contract or in handling or settling claims), we will let you know before your insurance arrangements are concluded.

### **Our product range and the range of insurers used**

Our recommendation will be based on a fair and personal analysis of the market.

**Quotation**

New business quotations are valid for a period of 14 days from the date of issue, unless otherwise notified and subject to satisfactory completion of the Insurer's Proposal Form or a signed and dated Statement of Facts. You should be aware that quotations may be changed or withdrawn completely should the information given to us or noted on your signed forms differ from the details provided at the time of quotation. We/Insurers reserve the right to amend/withdraw terms should this occur.

**Receipt of Instructions**

We do not consider instructions to arrange or change cover sent to us by post, email, fax or voicemail, to have been received until they have been physically received by the relevant member of staff in our office and subsequently confirmed. We cannot accept and responsibility for instructions which do not reach us due to failures in the post, email or telephony systems.

**Changes to your cover**

Should you require an adjustment to an existing policy, we will endeavour to process this as soon as possible normally within 24 hours but from the date that this has been requested. This is subject to all of the required information being provided promptly and honestly. All changes will be confirmed in writing once the insurers have been notified, should there be any changes in the terms or premiums due/returned this will be required to be settled within our set Payment terms.

**Transferred Business**

If we take over the servicing of insurance policies on your behalf which were originally held through another source, we do not accept liability for any claims arising out of the advice given by that source, nor for any error, omissions, or gaps in your current policy. Should you have concerns then please contact our office without delay in order review.

**Payment for our services**

We are remunerated for our services provided to our clients either by commission payments from insurers or premium finance providers, or fee payments from clients or a combination of the two where applicable. Any commission we receive will be paid from the insurance premium or finance payment payable by you. We do not take any additional fees from you for handling your insurance unless we agree a fee with you in advance. We may sometimes in the normal course of our business, also earn income in the form of management/administrative expenses allowed to us by insurers to cover the costs incurred in carrying out work on their behalf and in the form of volume, growth or profitability payments where this is the case we will clarify this requirement prior to conclusion of the contract either at new business or renewal.

Our fees for handling your insurances *and arranging your premium finance* are as follows:

New Business	£75.00
Mid Term Adjustments	£25.00
Cancellations	£75.00
Voidance of Policy	No Refund is given for deliberate or reckless misrepresentation
Duplicate Documentation	£25.00
Renewals	£75.00

You will receive a quotation which will tell you the total price to be paid, and which identifies any fees, taxes and charges separately from the premium, before your insurance arrangements are concluded. Receipts can be issued on request.

We also draw your attention to the sections headed 'Cancellation of insurances' and 'Ending your relationship with us'.

Our terms of credit are shown on the documentation produced and you are responsible for prompt and immediate settlement in order for us to make necessary payments to your insurer. Failure to comply may allow the insurer to void the contract from the start date and nullify any documentation that has been issued. We will not fund any premiums on your behalf and will not be held responsible for any losses which you may suffer as a result of a policy being cancelled or to otherwise prejudice due to the late payment of a premium where the delay is attributed to you.

Should a payment not be honoured, whether it is Direct Debit, Cheque, BACS, CHAPS or Card your policy may be cancelled back to the date when this payment was due. Your documentation will become void should this occur.

If it is deemed that there is a balance outstanding on your account which has not been paid within the timescale requested, we reserve the right to appoint a third party debt recovery agency to recover these monies owed, this may be subject to charge which you will be held liable for.

**Commission Disclosure for Commercial Customers**

'In good time before the conclusion of each insurance contract, or upon renewal, we will remind you of your right to be informed of the level of commission which we receive from underwriters. You are entitled, at any time, to request information regarding any commission which we may have received as a result of placing your insurance business.'

**Methods of Payment**

We can accept payment of the premium by using the following methods: Cheque, BACS, CHAPS, and Direct Debit & Credit/Debit cards, we reserve the right to charge should you pay by credit card.

**Methods of Communication**

Our normal methods of communication with you will be via post, telephone and where available by email/fax, in addition to any face to face meetings we may have with you. If you have a preference please let us know in good time.

When using email to communicate with us you accept the inherent risks involved. You also accept responsibilities for checking that messages that are received by you are complete and relevant. In the event of a dispute neither of us will challenge the legal evidential standing of electronic documents.

### Handling money

Our financial arrangements with most insurance companies are on a 'Risk Transfer' basis. This means that we act as agents of the insurer in collecting premiums and handling refunds due to clients. In these circumstances such monies are deemed to be held by the insurer(s) with which your insurance is arranged. However, if Risk Transfer does not apply, such monies will be held by us in a Statutory Trust account set up in accordance with FCA rules. Interest earned on monies held in such a Statutory Trust account will be retained by us.

### Cancellation Rights

If you take out a personal insurance policy through us you are entitled to cancel the cover up to 14 days from the later of (also known as a "cooling off period") the policy start date or receipt of the policy.

After 14 days If the policy is cancelled after 14 days provided you have not incurred any claims during the period of cover the insurer may pay a pro-rata refund of premium minus their administration charge and insurance premium tax. Please refer to your insurer's policy document for the terms that apply to your policy as some insurers may use a short-period cancellation scale for calculating refunds (please refer to the below table for an example).

Period of Cover up to	One Month	Two Month	Three Month	Four Month	Five Months	Six Months	Seven Months	Over Seven Months
Premium Payable	30%	40%	50%	60%	70%	80%	90%	Full Premium

We will deduct a cancellation fee of £75 plus any other applicable service charges that you have incurred during the course of your policy from any refund provided by your insurer. We will also retain 20% of any refund provided by your insurer in lieu of lost commission. If your policy is being paid by instalments the cancellation of finance charge will also apply.

If you are a commercial customer, any rights to cancellation will be detailed in your policy.

If the refund provided by the insurer is insufficient to cover our charges you will be required to pay the balance to us.

Should you wish to exercise this you will be entitled to a refund of premium less an appropriate pro rata charge for the period of cover given before the rights we invoked. If the premium has not been paid then a charge may apply and this will be required to be paid immediately.

Should a claim occur prior to the exercise of Cancellation Rights where the claim terminates the insurance cover, your insurers may not allow a refund of any premium paid.

You should make any request for the cancellation of a policy in writing and any relevant certificate of insurance must be returned to us or to the insurer concerned. In the event of cancellation, charges for our services will apply in accordance with the 'Payments and Charges' section.

### 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. Circumstances in which a firm may no longer wish to continue providing services to a customer could include:

- Non-payment of premium or fees
- Failure to provide requested documentation or information
- Deliberate failure to comply with terms set out within the TOB or insurer's documentation
- Deliberate misrepresentation or non-disclosure, attempted fraud or other instances of 'bad faith'

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.

### Use of personal data

In your dealings with us you may provide us with information that may include data that is known as personal data. Where we process personal data, we comply with statutory data processing requirements as set out by the Data Protection Act 2018. The personal data we will collect will include information relating to your name, address, date of birth and contact details.

We will process your personal data to allow us to provide you with our services as your insurance broker in quoting for, arranging and administering your insurances (*and in arranging insurance premium finance where applicable*). Your personal data will also be used to manage future communications between ourselves. Where you have agreed, or in circumstances where to do so will be in our mutual interests, your personal data will be used to provide you with further information about our wider products and services. You can opt out from receiving such communications by e-mailing [admin@avainsure.co.uk](mailto:admin@avainsure.co.uk)

In processing personal data for insurance purposes about health or criminal offences, we will only do so to enable us to provide our service to you and on the basis of it being in the public interest. We will only use your data for the purpose for which it was collected. We will only grant access to or share your data within our firm or

other firms associated with us, with other authorised third parties and product and service providers such as insurers and premium finance providers where we are entitled to do so by law under lawful data processing.

The Data Protection Act 2018 provides you with Access Rights that allow you to gain an understanding on the data being processed, who we share it with, for what purpose, why we need to retain it and retention periods, to object to the processing and to place restrictions on the processing, to request copies of your data and to request the deletion of your data.

If you require further information on how we process your data or you wish to exercise your rights, please contact our Data Privacy Representative by emailing [serhat@avainsure.co.uk](mailto:serhat@avainsure.co.uk) or by writing Ava Insurance 56 Hoppers Road, London, N21 3LH or by telephoning 020 8127 0304. How we process your personal data is detailed further within our Privacy Notice.

### **Credit Checks**

To make sure you get our best deal and to ascertain the most appropriate payment options for you and to protect you from fraud, some 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. If you have any questions about this or any other matter, please do not hesitate to contact our office.

### **Conflict of interests**

Occasions can arise where we, or one of our associated companies, clients or product providers, 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.

### **Making a claim**

Many insurers provide a 24 hour helpline (details of which will be available in your policy documentation). Please ensure that you report all incidents that could give rise to a claim as soon as you become aware of them, either by contacting your insurer or by calling our office. Should a claim form be required you will be advised accordingly. In certain circumstances late notification of a claim may result in your claim being rejected. If you claim related to damage to property, please do not: 1. Dispose of any damaged items and/or Authorise any repair work (except to mitigate the loss) until authorised to do so by your insurers. All correspondence relating to third party property damage or injury should be forwarded unanswered to our office immediately for onwards transmission.

If a claim arises after the renewal of the policy has been invited, this may affect the assessment and acceptance of your renewal by your insurers and alternative terms may need to be sought.

### **Complaints and compensation**

We aim to provide you with a high level of customer service at all times but, if you are not satisfied, please contact us:

#### **“The Customer Services Manager”**

in writing... to Ava Insurance, 56 Hoppers Road, London, N21 3LH  
by phone... Telephone 020 8127 0304  
by email... [serhat@avainsure.co.uk](mailto:serhat@avainsure.co.uk)

When dealing with your complaint, we will follow our complaint handling procedures; a summary of these procedures is available on request. If you are still not satisfied, you may be entitled to refer the matter to the Financial

Ombudsman Service <http://www.financial-ombudsman.org.uk/> (except in the case of a business employing 10 persons or more and with a turnover or annual balance sheet total exceeding €2m, a charity with an annual income of £1m or more or trustees of a trust with a net asset value of £1m or more).

We are covered by the Financial Services Compensation Scheme (FSCS) for our insurance mediation activities. 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. If you are eligible to claim from the FSCS, compensation is available in relation to insurance advising and arranging as follows:

- 90% of the claim, without any upper limit;
- 100% of the claim without any upper limit for
  - compulsory classes of insurance (such as Third Party Motor or Employers Liability); and
  - ‘pure protection’ contracts, professional indemnity insurance, and general insurance claims arising from the death or incapacity of the policyholder owing to injury, sickness or infirmity, all where the insurance intermediary has failed to pay money to an insurer, pay away money it has received from an insurer, or has failed to take steps to allow the insurer to effect the contract of insurance.

Further information about compensation scheme arrangements is available from the FSCS on 0800 678 1100 (freephone) or 020 7741 4100 or [www.fscs.org.uk](http://www.fscs.org.uk).

### **Law and jurisdiction**

These terms of business will be governed by and construed in accordance with English Law. In relation to legal action or proceedings arising out of or in connection with these Terms of Business we both irrevocably submit to the jurisdiction of the English Courts.