

## TERMS OF BUSINESS AGREEMENT

D2 Corporate Solutions Ltd, Pavilion 4, Westpoint Business Park, 6 Marchfield Drive, Paisley, PA3 2RB Telephone Number 0141 560 8022, Fax Number 0141 560 8022 & E-Mail Address enquiries@D2cs.com

### Law and Language

This Terms of Business is subject to Scottish Law and the jurisdiction of the Scottish Courts. We will use the English language for all communications, the contractual terms and conditions, and any information we are required to supply to you, before and during the duration of the contract.

### Acceptance

The purpose of this agreement is to set out our professional relationship and detail the services we will provide to you. For your own benefit and protection, you should read all of the information carefully and in particular, we would like to draw your attention to the **"IMPORTANT INFORMATION"** section. If you do not agree with any part of the information, please tell us. We assume that you accept the terms of this agreement unless we hear from you.

### Limit of Liability

This clause restricts the amount that may be recoverable as a result of our negligence. Other than injury or death of any person (for which no cap on liability will apply), our liability to you for the services we provide shall not exceed £10,000,000 in connection with any one event or connected events.

### The Regulator

The Financial Conduct Authority (FCA) is an independent watchdog that regulates financial services.

The FCA has authorised us to advise, arrange, deal in and assist with the placing and administration of all types of General Insurance policies.

Our Financial Services Register number is 306519 and you can check our status and permissions at [www.fca.org.uk](http://www.fca.org.uk) or by contacting the FCA on 0800 111 6768.

### Confidentiality and Data Protection

We will exchange the information that you provide to us with insurance companies and other brokers or agents for the purposes of obtaining quotations and arranging cover, this may result in a credit check to confirm your identity and minimise the risk of fraud. We will treat all information as private and confidential, and in strict accordance with the Data Protection Act 2018, even when you are no longer a customer and only share information if we are required to do so by law, or regulation.

**Full details can be found in our Privacy Notice.**

### Call Recording

All inbound and outbound calls are recorded. We use call recording in order that any disputes we have with customers, insurers or other intermediaries that are conducted through this medium, can be resolved speedily.

### Our Fees, Commission and Charges

We usually receive a commission from the insurance provider with whom we place your business, and in such a case, the commission will be paid to us either when we are in receipt of cleared funds from you (or the premium finance company, if one has been used) or, when the insurer has received cleared funds from us in respect of the premium due under your policy. The individual agreements we have with each insurer will determine which of the two methods above is used to make this transfer of commission. We also receive commission for arranging finance agreements for the payment of insurance premiums and this is usually expressed as a percentage of the individual loan and is paid to us directly by the premium finance provider. We may also receive a commission or fee for passing introductions to other professional firms.

At the inception of your policies and each subsequent renewal we will charge a Placement Fee based on your total premium amount. Our Placement Fee structure is as follows:

Total Premium up to £4,999.99:	£25
Total Premium from £5,000 to £49,999.99:	£50
Total Premium from £50,000:	£100

We will only ever charge one placement fee per year. Should your policies be spread throughout the year, we will consider your overall premium spend and the fee will be applied to the renewal date incurring the highest total premium.

Policies voided or cancelled from inception by insurers will be treated as a cancellation and we will retain any commission and fees before returning the net premium to you. By accepting these terms of business, you agree that we may retain the portion of the premium that relates to commission that would have been due to us.

In the event of a Policy being cancelled or amended Mid Term we retain the right to retain the commission on the policy or policies.

Occasionally we may arrange a policy on which we earn no commission (a "net premium policy") and in these cases, we will advise you of the arrangement or broking fee before you take the policy out. On occasions we may also earn commission in addition to an arrangement or broking fee. Again, we will advise you of this before the policy is taken out and any amounts involved.

Specific charges, which apply to individual policies, will be advised to you prior to the commencement of each contract applicable to that policy. The specific charge and purpose of any additional charges will always be advised to you in advance.

You are entitled to request at any time, information about the commissions that we may have received in connection with your insurance, if you want this information please contact us.

### Our Service

We can act both as an agent of insurers, and on behalf of you, the customer. We have in place management controls to deal with any conflicts of interest that might arise. Unless we advise you otherwise, we are acting on your behalf.

We also act on behalf of insurers when collecting premiums under risk transfer

We will ask questions to enable us to assess reasonably your insurance requirements, this may include checking information that we already hold about you and your existing insurance arrangements with us and other parties.

We will provide you with advice and guidance, after assessing what you want and need and recommend a suitable policy based on our experience of dealing with similar risks.

We will confirm to you the level of service we are providing as part of our sales process.

In all cases our service will include arranging and administering your insurance, including helping you with on-going changes and assisting you if you need to make a claim, or where we outsource claims handling facilities to give you an enhanced service.

If we use the services of another intermediary to place your insurance, we will advise you of the name of the intermediary we use and the name of the insurer.

**If you mislay your policy at any time, we will arrange a replacement policy document, if you request it.**

### **Our Selection (Fair & Personal Analysis)**

We offer products from a wide range of insurance companies.

Our selection usually involves presenting to a reasonable number of insurance companies that will insure for the risk at hand, and this is called a fair & personal analysis of the market.

Sometimes we may only approach two or three insurers and this is a limited Panel, or in some cases, we may only approach one insurer, in either case, we will tell you the basis as part of our selling process. You can also request a list of the companies that form the Panel we have approached.

### **Additional services**

We also provide additional services such as risk management guidance, loss recovery and motor uninsured loss recovery. Please note these services are not regulated by the Financial Conduct Authority. In addition, these services do not benefit from the protection offered by The Financial Ombudsman Service or the Financial Services Compensation Scheme.

### **Financial Strength**

We regularly assess the financial strength of the Insurance Companies and other intermediaries that we deal with. The process usually involves general observation of the financial ratings applied by independent rating agencies such as Standard & Poor's and A M Best published with other readily available information within industry guides, newsletters and press releases. Whilst we take care to deal with companies that maintain reasonable solvency margins, we cannot guarantee their financial ability to pay claims.

### **Money**

We will hold money that you pay to us in accordance with the regulator's rules or under a risk transfer agreement with insurers. This will include holding your money in the following way.

A **statutory trust client bank account** that only allows us to use the money held in trust on behalf of a customer for paying that customer's premium to an insurance company and to pay premium refunds or claims we receive from that insurance company to the customer, once the premium has been received from that insurance company. We **cannot** use that customer's money to pay another customer's premium or refund. Also, for this reason it is not possible for you to offset the refund against premiums owed on another policy. 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. Unless you tell us otherwise, you are consenting to us holding your money in this way.

**By holding your money in this way, means that in the event that this firm becomes insolvent your money remains protected.**

In arranging your insurance, we may employ the services of other intermediaries who are regulated by the FCA and your premium may be passed to these intermediaries for payment to insurers. These firms are also required to hold clients' money in a separate trust account. We will also inform you if at any time we are required to pass your premium to firms that operate outside the UK where the protection may be different. Should you not wish us to pass premiums to a firm outside of the UK, please inform us.

### **Payment Options**

We will provide you with full details of all the payment options available to you when we provide you with your insurance premium.

If you choose to enter into a finance arrangement, this will be subject to interest charges that we will confirm to you when providing the full details. Importantly, the arrangement you will enter into will be with the finance company, not D2. It is an entirely separate contract irrespective of the insurance contract. In the event of your failure to meet with the contractual obligations regarding payment the finance provider could approach the insurer to seek a termination of the insurance contract to recoup their outstanding finance arrears. You will be liable to pay their costs and charges if

you do not keep up your repayments and cover is cancelled under your policy. This is because the agreement is between you, the policyholder and the finance company direct, not D2 or the insurer.

**Please note that we only use Close Premium Finance for the provision of premium finance facilities.**

**Please Note: Your policy cover will cease if you fail to keep up payments on an instalment agreement or premium finance facility related to it.**

### **Your Right to Cancel (Applicable to Consumers only)**

Please contact us if you wish to cancel any policy that we have arranged for you. Customers acting outside their trade or profession (Consumers) will usually have a legal right to cancel policies for any reason, subject to no claims having occurred, within 14 days of receiving the full terms & conditions. You will always be advised where this Right applies. A charge may apply for the period of cover provided and, in addition, an administration charge will apply as shown in the charges section above, cancellation under this right must be in writing, prior to expiry of the cancellation period, to our usual office address.

### **Complaints**

Our aim is always to provide our customers with a first-class service; however, we are aware that, occasionally, it is possible that we may fail to meet your expectations. If for any reason we have not met your expectations, let us know as soon as possible, by calling our main office telephone **0141 560 8022**, or write to David McGinnigle, D2 Corporate Solutions Ltd, Pavilion 4, Westpoint Business Park, 6 Marchfield Drive, Paisley, PA3 2RB or e-mail [david.mcginningle@D2cs.com](mailto:david.mcginningle@D2cs.com)

If we are unable to resolve the issue to your satisfaction by the end of the next business day, we will formally investigate the matter. You will receive an acknowledgement of the matter together with a copy of our complaints process promptly and certainly within 5 working days. We will then aim to investigate and provide a resolution as quickly as possible, informing you of the position no later than 4 weeks and a final response no later than 8 weeks.

If you are not happy with our response, or the position after a period of 8 weeks, you may be eligible to refer your complaint to the Financial Ombudsman Service (FOS) for an independent assessment and opinion.

The FOS Consumer Helpline is on **0800 023 4567** (free for people phoning from a "fixed line" (for example, a landline at home) or **0300 123 9123** (free for mobile-phone users paying monthly charge for calls to No's starting 01 or 02). Alternatively, you can contact them at Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR. [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

**A full copy of our complaints' procedure is available on request.**

### **Financial Services Compensation Scheme (FSCS)**

If we are unable to meet our obligations, you may be entitled to compensation from the FSCS. If we have advised or arranged insurance for you this will be covered for 90% of a claim, without any upper limit, however compulsory classes of insurance (such as motor insurance) is covered for 100% of a claim. Further information is available from the FSCS helpline on 0207 892 7300 and [www.fscs.org.uk](http://www.fscs.org.uk).

The FSCS is the UK's statutory fund of last resort for customers of authorised financial services firms. Compensation is usually payable if an authorised firm is unable or unlikely to pay claims usually because it has ceased trading or become insolvent

### **Insurance Premium Tax (IPT)**

Your premium detailed in the policy will include IPT at the prevailing rate. Should the rate of IPT be amended by the Government, your premium will be amended by the insurer to reflect the change.

Some policies are subject to Value Added Tax (VAT) and should the rate of VAT be amended by the Government your premium will be amended by the insurer to reflect the change.

**Termination**

You may cancel this agreement with us at any time. You must provide at least 14 days written notice of instructions. We also reserve the right to cancel this agreement at any time. In any event, we will provide you with reasonably sufficient time to re-arrange your insurance and we will notify you of termination in writing together with an explanation if appropriate.

**IMPORTANT INFORMATION****WARNING – CONSUMERS****WHERE THE MAIN PURPOSE OF THE CONTRACT IS FOR PRIVATE USE****Your duty to give information**

When applying for or amending your insurance policy, we and / or your insurer will ask a number of questions to assess the risk prior to agreeing cover. It is your duty to ensure that you answer all questions raised by insurers or us honestly and reasonably. These questions are designed to enable us or the insurer to obtain a comprehensive picture of the nature of the risk to be insured, and only by asking such questions and receiving answers which are given honestly and with reasonable care, can we or the insurer be in a position to offer terms which are designed to meet your demands and needs.

The reason why this is vital and extremely important is that if you fail to tell us or the insurer something when asked, or, if you answer carelessly or act deliberately or recklessly in making misrepresentations when answering questions, your Insurer may not pay any claims and may void the policy, leaving you with no insurance protection. You may find it difficult to re-arrange cover because you did not tell an insurer everything when asked, and you will have to disclose this fact when you reapply for insurance.

**FAILURE TO ANSWER QUESTIONS HONESTLY AND REASONABLY, WHEN ASKED, MAY LEAVE YOU WITH NO COVER AND A CLAIM NOT PAID.**

**WARNING – COMMERCIAL CUSTOMERS (OR WHERE THE MAIN PURPOSE OF A CONSUMER CONTRACT IS NOT FOR PRIVATE USE)****Your duty to give information**

IT IS IMPORTANT THAT YOU UNDERSTAND YOUR DUTY TO PROVIDE ALL MATERIALLY IMPORTANT INFORMATION, FULLY, COMPLETELY AND ACCURATELY TO US AND YOUR INSURERS, NOT ONLY WHEN YOU TAKE OUT YOUR INSURANCE, BUT ALSO THROUGHOUT THE LIFE OF YOUR ARRANGEMENT, AT THE ANNUAL RENEWAL OR AT ANY OTHER TIME WHEN CHANGES OCCUR.

Materially important information is any information that could influence an insurer's decision to accept your risk including the cost of your insurance. For example, details of previous insurance claims that you have made, or reported. Personal information about you, such as Criminal Convictions (you have a duty to give this information even when the insurance relates to a business and not you). General information about the risk, such as the construction of a building, (for example, concrete floor, timber frame with brick, stone, and a slate roof) if you are not sure how much information to provide or do not understand the question please ask.

The reason why this is vital and extremely important is that if you fail to tell us something, your Insurer may not pay any claims and may void the policy, leaving you with no insurance protection. You will find it difficult to re-arrange cover because you did not tell an insurer everything, and you will have to disclose this fact when you reapply for insurance.

**FAILURE TO DISCLOSE THESE FACTS MAY LEAVE YOU WITH NO COVER AND A CLAIM NOT PAID.**

**WARNING****Warranties and Conditions Precedent**

Your policy may contain a number of WARRANTIES and CONDITIONS PRECEDENT.

An insurance warranty typically means that you must comply with terms in order that your insurance protection remains operative. Warranties are not always referred to as such within a policy and schedule. They may be referred to as conditions, endorsements, special terms as well as warranties.

Conditions Precedent: Some conditions do impose a responsibility on you to have taken certain actions before a specific section of the policy will operate. If you have not, cover may not be in place.

These can be onerous terms which you must comply with word for word, otherwise the insurer might not pay any claims and might cancel your policy from the start. Even if there is no connection between a breach of these terms and the cause of the loss.

It is important that you look out for these and if you have any doubt about a particular statement, please ask us for advice.

**FAILURE TO COMPLY MAY LEAVE YOU WITH NO COVER AND A CLAIM NOT PAID.**