

# Terms of Business Agreement

## Between P J Hayman & Company Limited (PJH) And xxxxxxxxxxxxxx (Intermediary)

### Broker Information

P J Hayman & Company Limited are authorised and regulated by the Financial Services Authority. Our Permitted business is arranging general insurance contracts. Our FSA number is 497103. These details can be checked on the FSA's register by visiting the website <http://www.fsa.gov.uk> or by contacting the FSA on (0845) 606 1234.

As an intermediary, FSA Regulations require us to:

- Conduct our business with integrity, and pay due regard to the interests of our customers and treat them fairly.
- Conduct our business with due skill, care and diligence.
- Pay due regard to the information needs of our clients and communicate information to them in a way which is clear, fair and not misleading.
- Act with due care, skill and diligence in relation to a claim, and avoid conflicts of interest.
- When holding client money, to meet certain specific conditions.
- Take reasonable care to establish and maintain systems and controls that are appropriate to our business.

**PLEASE READ THIS DOCUMENT CAREFULLY.** It sets out the terms on which we agree to act for our clients and contains details of our regulatory and statutory responsibilities.

We specifically draw your attention to the following:

- (a) Non-statutory trust.
- (b) Segregation of designated investments.
- (c) Interest on client money.

Please contact us immediately if there is anything in these terms of business which you do not understand or with which you disagree.

### Relationships

As independent insurance intermediaries we act as the agent of our client. We are subject to the law of the agency, which imposes various duties on us. However, in certain circumstances we may act for and owe duties to other parties. We will advise you when these circumstances occur so you will be aware of any possible conflict of interest.

P J Hayman & Company Limited is a wholly owned subsidiary of CSP Holding Limited.

We offer products from a range of insurers.

We will advise and make recommendations for you after we have assessed your needs. This will include the type of cover you seek together with costs.

Upon receipt of your instructions we will place insurance with insurers, and keep you informed of the progress of our negotiations.

We will advise you of any inability to place your insurance.

### Security

We do not guarantee the solvency of any insurer we place business with.

A liability for a premium, whether in full or pro rata, may arise under policies where a participating insurer becomes insolvent.

### Policy Documentation

Our policy is that policy information will be issued in a timely manner. This will normally be within 30 days of the contract of insurance being concluded.

Your policy documentation will confirm the basis of cover, give details of the insurer(s), and be accompanied by a policy summary, a debit note and the dates that the premium is due.

Attached to your policy statement will be a statement of demands and needs. You should read this carefully. It will set out your demands and needs and confirm whether the contract has been personally recommended and, if so, the reasons for making that recommendation.

You will be provided with the renewal terms no less than 21 days before expiry of the policy, or notified that the renewal is not being invited. Attached to the renewal terms of the policy, and changes to the directive-required information (information required under the EU Directives), statement of price and information about cancellation.

Mid term changes to your policy, if any, will be provided in good time, prior to the change taking effect.

We retain documents for business for 6 years, in accordance with our retention of documents policy.

For some types of insurance cover it is possible that the claim may be made under a policy long after its expiry date and it is therefore important you keep such documents safely.

## Claims

You must notify the claims handlers or us as appropriate, as soon as possible, of a claim or circumstance, which may give rise to a claim.

In the event of a claim you should contact the Claims Handler or us as appropriate, in writing, as soon as possible.

Initially, you should provide the following brief information:

Policy Number, Name of insured, Inception Date, Date of the Incident, Description of the incident.

Claims payments will be remitted to you as soon as possible, after they have been received on your behalf.

You will be provided with every assistance in submitting a claim and seeking reimbursement. However, in the event that the insurer becomes insolvent or delays making settlement we do not accept liability in any unpaid amounts.

## Duty of Disclosures to Insurers

You must disclose to insurers, before the contract is concluded, any fact or circumstance which is known to you (or which ought to be known to you) in the ordinary course of your business and which is material to the risk. A fact or circumstance is material if it would influence the judgement of a prudent insurer in fixing the premium or determining whether he would take the risk.

Should you not act with the utmost good faith or fail to disclose any material fact or circumstance to insurers, insurers may avoid the contract.

## Premium

You must pay the premium due in cleared funds in accordance with the amounts and payment dates specified in our debit note.

Failure to meet the payment date may lead to insurers cancelling your policy.

Where insurers have specified that the premium must be received by a certain date, failure to comply can result in the automatic termination of your insurance contract.

## Remuneration

Our remuneration may be as a fee, or as brokerage, which is a percentage of the insurance premium paid by you and allowed by the insurer with whom the insurance is placed. Brokerage and fees are earned for the policy period and we will be entitled to retain all fees and brokerage in respect of the full policy period in relation to policies placed by us.

In the event of a mid-term adjustment we will be entitled to a percentage of the premium payable by you.

In addition to the client fees and/or brokerage payments we may receive remuneration by way of administration fees or profit commissions, which are contingent on underwriting profitability, from underwriters. If requested, we shall disclose our commission including an estimate of contingent commission to you. We may also act as reinsurance brokers to underwriters with whom we have placed insurance and reinsurance.

## Client Money

Client money is the money of any currency that we receive and hold in the course of carrying on insurance mediation on behalf of our clients (including you) or which we treat as client money in accordance with FSA rules.

We keep client money separate from our own money in a non-statutory trust.

We may hold money in a client bank account outside the UK. In such circumstances the legal and regulatory regime applying to the bank will be different from that of the UK and, in the event of a failure of the bank, your money may be treated in a different manner from that which would apply, if client money were held by a bank in the UK. You may notify us if you do not wish your money to be held in a particular jurisdiction.

## Interest on Client Money

Any interest earned on client money held by us and any investment returns on any segregated designated investments will be retained by us for our own use.

## Non Statutory Trust

We hold client money subject to a non-statutory trust. 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. However, we are not entitled to use client money to pay commissions before we receive the relevant premium from the client.

The aim of the trust is to protect the client in the event of the failure of the firm, or the failure of the bank or a third party at which the money may be held. In such circumstances, the firm's general creditors should not be able to make claims on client money as it will not form part of the firm's property.

The fact that we will hold money on trust gives rise to fiduciary duties, which will be owed to you until the client money reaches the insurer or product provider.

## Segregation of Designated Investments

We keep client money separate from our own money. We may do this by paying it into a client bank account. However, we may also do this by arranging to hold separately permitted designated investments with the value at least equivalent to the money that would otherwise have been paid into a client bank account. If we do this we will be responsible for meeting any shortfall in our client money resource which is attributable to falls in the market value of a segregated investment.

### Payment to Third Parties

We may transfer client money to another person, such as another broker or settlement agent, for the purpose of effecting a transaction on your behalf through that person.

This may include brokers and settlement agents outside the UK. The legal and regulatory regime applying to a broker or settlement agent outside the UK may be different from that of the UK and, in the event of a failure of the broker or settlement agent, this money may be treated in a different manner from that which would apply if the money were held by a broker or settlement agent in the UK. You may notify us if you do not wish your money to be passed to a person in a particular jurisdiction.

### Bank Accounts

Client money will be deposited with one or more FSA approved banks. Please notify us immediately if you do not wish us to use any bank or banks.

We may hold money in a client bank account outside the UK (See Client Money).

### Cancellation Clause

Your insurance contract may include a cancellation clause. In the event that you fail to pay your premium by the due date the insurance may be cancelled forthwith or by insurers, giving notice of the cancellation. In the event of cancellation of the insurance contract, insurers may return a pro rata premium to us.

Once our remuneration has been earned, in the event that the insurance is cancelled after inception, our fees or brokerage will not usually be returnable.

### Cancellation of This Agreement

Our agreement may be terminated by one of us giving 90 days' notice in writing to the other. In the event that our services are terminated by you, we will be entitled to receive any fees or brokerage payable.

### Complaints

We take all complaints seriously. If you wish to register a complaint about our service, then please contact Andrew Rutty, Director, either:

In writing to:

The Managing Director, P J Hayman & Company Limited,  
Stansted House, Rowlands Castle, Hampshire PO9 6DX.

By Telephone: 023 9241 9002

We will acknowledge your complaint within 5 working days.

If we are unable to settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service either:

In writing at: Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR

By telephone: (020) 7964 1000

### Compensation

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the FSCS if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

Full details and further information on the scheme are available from the FSCS.

### Money Laundering / Proceeds of Crime Act

UK money laundering regulations require us to obtain evidence of the identity of clients for whom we act at the start of a business relationship. For companies (other than listed ones), evidence of identity will usually comprise a copy of certificate of incorporation, a list of directors, a list of shareholders and the registered address.

We are obligated to report to the National Crime Intelligence Service any evidence or suspicion of money laundering at the first opportunity and we are prohibited from disclosing any such report.

Claims payment will be made in favour of you. If you require a payment to be made to a third party then you must confirm the required payee name and details and provide a brief explanation for you request.

### Data Protection

We are registered under the Data Protection Act 1998 and we undertake to comply with the Act in all our dealings with your personal data. Your personal information will be kept secure.

### 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.

### Interest

If the Intermediary fails to pay any sums payable to P J Hayman & Company Limited under this Agreement on the due date for payment, the Intermediary shall pay interest on that sum to us at a rate applicable from time to time under the Late Payment of Commercial Debts (interest) Act 1998.

## Confidentiality

Each party will ensure that all confidential information of the other party is kept confidential and will not make or cause or permit any use of confidential information except in the following circumstances:

- When required to do so by law or by any other public, governmental, supervisory or regulatory authority or by any legally binding order of any court or tribunal.
- Where disclosure is necessary during the normal course of business within the insurance business.
- Where the confidential information is publicly available or generally known to the public or lawfully in the possession of the party at the time of disclosure.
- Where the confidential information is passed to subsidiaries or holding company or subsidiaries of the holding company.

## Professional Indemnity Insurance

The Intermediary shall at all times maintain in full force and effect and observe the terms and conditions of an appropriate professional indemnity policy, adequate to cover the Intermediary's liability in relation to its dealings with P J Hayman & Company Limited.

The Intermediary shall at any time, at the reasonable request of P J Hayman & Company Limited, provide evidence to show that the insurance is in force and shall immediately notify us in writing, if any circumstances arise or are likely to arise that would lead to it being in breach of its obligation.

## Compliance

By dealing with P J Hayman & Company Limited on behalf of Clients following receipt of these Terms of Business the Intermediary will be deemed to:

- Warrant that it has all and any necessary authorisation from the FSA which may be necessary pursuant of FSMA and the rules and regulations.
- Undertake not so to deal if at any time its authorisation shall cease or be suspended.

The Intermediary will at all times obey the regulatory requirements in all matters to which these Terms of Business apply. Nothing in these Terms of Business will require an Intermediary to act otherwise than in accordance with the regulatory requirements.

In the event of the Intermediary ceasing to have Authorisation or to obey the regulatory requirements P J Hayman & Company Limited will not accept further business from the Intermediary.

## Intellectual Property

The intermediary shall not use the logo or other trademarks licensed to or owned by P J Hayman & Company Limited, nor shall any intellectual property rights in the same be transferred to the Intermediary as a result of these Terms of Business. All intellectual property rights in policy documentation and marketing materials relating to policies shall remain with and vest in P J Hayman & Company Limited.

## Indemnity

The Intermediary shall indemnify and keep indemnified, P J Hayman & Company Limited from all losses, costs, claims and liabilities whatsoever incurred by Crispin Speers & Partners Limited arising from:

- Any failure by the intermediary or where applicable, it's appointed representatives, to comply with the provisions for FSMA.
- Any other breach by the Intermediary or, where applicable, its appointed representatives on its behalf or purportedly on its behalf of any of these Terms of Business including, without limitation, any loss, cost, claim or liability incurred by Crispin Speers & Partners Limited arising out of business placed by the Intermediary without authorisation.

Signed: .....

Position: .....  
on behalf of P J Hayman & Company Limited

Date 12/06/09

I have read and agree to the terms of business as defined in this document.

Signed .....  
on behalf of xxxxxxxxxxxxxxxx

Position: .....

Date .....