

Lycett, Browne-Swinburne & Douglass Ltd

Terms of Business

This document sets out the Terms of Business under which Lycett, Browne Swinburne & Douglass and its trading divisions(hereinafter "Lycetts", "we", "our" or "us") conduct business and offers its services to you. You should keep a copy of this agreement with your insurance papers.

Lycetts is a wholly owned subsidiary of Lycetts Holdings Limited. Lycetts Financial Services Limited is a wholly owned subsidiary of Lycett, Browne-Swinburne & Douglass Limited. For full details of the Lycetts group of companies please see our website www.lycetts.co.uk.

Ecclesiastical Insurance Group holds an investment in Lycetts Holdings Ltd. However, this does not prejudice in any way Lycetts ability to act as an independent broker and to represent exclusively its clients' interests with the insurers most appropriate to their requirements.

Lycetts Holdings Ltd has a shareholding in Amlin Plus Ltd, a joint venture with Amlin Plc, which is a service company for the Amlin Lloyd's Syndicate 2001. The service company administers underwriting activity only and does not participate in the underwriting of risks.

Regulatory Status

We act as an independent insurance broker working on your behalf. We are authorised and regulated by the Financial Services Authority and our registered number is 310623. Registration number and details can be checked on the FSA's register by visiting the FSA's website at www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234.

Confidentiality

Unless required by law, public interest, the statutory requirements of our regulator the FSA, or you give your consent, information which you supply will be kept confidential to us and the parties involved in the normal course of arranging and administering your insurance. We will process your data in accordance with the Data Protection Principles of the Data Protection Act 1998. You have the right to see any personal information about you that we hold in our records. Should you have any queries please write to us at the address at the foot of this document.

You agree that we and other companies in our group may hold and process by computer or otherwise, any information provided by you in order to provide our services to you.

Disclosure of Information

It is important that you understand that any information, statements or answers supplied by you to us, or your insurer, are your responsibility throughout the term of the policy and must be correct. Your attention is particularly drawn to the importance of the declaration and signature on any insurers' proposal forms. Failure to disclose facts material to the insurance, or any inaccuracies in your answers, may invalidate your insurance cover in part or in whole, and could mean that part or all of a claim may not be paid. Facts material to the insurance are matters or information which may influence your insurer as to the acceptability or otherwise of your proposal or renewal and must be disclosed at the earliest opportunity and at each renewal. You are advised to keep copies of documentation sent to you or received from us for your protection. Please do consult us if you are in doubt on anything in this regard.

Service Standards

Lycetts provides information and advice to suit clients' specific needs on the basis of a full and fair analysis of the insurance market or a limited range of insurers or with one specific insurer. You will be advised in your suitability letter as to the scope of the service provided. If we have provided advice to you from a limited range of providers, at your request we will provide you with the current list of insurance undertakings that we hold for each type of insurance contract recommended.

Negotiation and Placing

We will discuss with you your insurance requirements, the scope of cover, limits to be sought and potential prices. We will assess the financial soundness of the proposed insurance markets, using industry recognised criteria and will discuss with you any concerns that may arise. However, we will not in any circumstances, act as an insurer, nor will we guarantee or otherwise warrant the solvency of any insurer or market.

We will provide you with a Demands and Needs Statement setting out your insurance requirements based on the information you have

provided to us. We will only take into account your current circumstances and objectives as might reasonably be expected to be relevant, enabling us to identify your requirements and to meet them. We will arrange the most suitable insurance for you in order to meet your demands and needs, ensure that the level of cover is sufficient for the risks that you wish to insure, that the cost is clear, and that the relevance of any exclusions, excesses, limitations or conditions are explained to you. During the course of the placement of your insurance we will keep you informed of the progress of our negotiations and identify promptly any inability to fulfil the proposed programme. We will use all reasonable endeavours to complete placement before the intended date of inception, renewal or extension of cover (whichever is appropriate) in order to meet the prescribed FSA time scales and our own service standards.

Insurers may sometimes grant us a binding authority or similar facility under which we are enabled to accept business on their behalf and issue the policy. We may place your insurance under such a facility which assists us in the prompt and efficient placement of risks, facilitates the servicing of your business and will be used where the terms suit your insurance requirements or instructions.

If appropriate a Policy Summary will be provided to you before you conclude your insurance instructions. Where we have given you advice, we will provide a Suitability Statement setting out the reasons for any advice or recommendation which we have given. If we have not given you any such advice we will say so.

On conclusion of the insurance contract we will confirm to you in writing all details of the cover effected and provide you with a policy document. Although we will check the policy documents that we send to you, you should carefully examine your policy and other insurance documentation to ensure that the cover arranged on your behalf meets with your requirements. Should it not do so you should advise us immediately. Particular attention should be paid to any policy conditions, warranties and the claims notification provisions, as failure to comply with them may invalidate your cover.

You will provide settlement with cleared funds of all monies due in accordance with the terms of credit specified on our invoice, which will detail premiums due and any taxes that the insurers may be obliged to collect. We will not make any additional charge for fees for our services unless these are fully explained to you in writing beforehand. Should it be necessary to charge a fee for any of our services, we will show this clearly in the documentation.

It is imperative that you meet all payment dates as failure to do so may lead to insurers cancelling your policy.. We are under no obligation to pay the premium to insurers on your behalf by the payment date if we have not already received it from you.

Claims

If you need to claim on your policy you must notify us immediately, either in writing, by telephone, by e-mail or fax. Please use the address and numbers set out at the foot of this document and on your Policy Summary. Our claims handling services include, upon receipt of the required information from you, notification of the claim or circumstances to insurers; representing you in the resolution of the claim; and arranging for the settlement and collection of the claims proceeds in accordance with market practice and your policy terms and conditions. Where claims are to be dealt with by insurers directly with you, we will provide advice and support as necessary. Where we receive claims payments from insurers, these will be remitted to you as quickly as possible following receipt of the funds.

We may act as agent for the insurer where we have been granted claims settlement authority. We will advise you if this applies to your claim.

In the event of an incident giving rise to a potential claim, you should not admit liability or agree to any course of action, other than where emergency measures are needed to be carried out to minimise the loss, until you have agreement from your insurers.

You should note that you are responsible for notifying claims or potential circumstances that may give rise to a claim. In order to ensure full protection under the policy, it is essential that claims are notified to us promptly as failure to adhere to the notification requirements may entitle insurers to deny liability.. In presenting a claim it is your responsibility to ensure that all material facts relating to the claim are disclosed.

Claims may be made against the policy long after its expiry date for certain classes of business. It is important that you keep your policy documents in a secure place.

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Complaints

It is always our intention to provide a first class service. However, should you have any cause for complaint you should in the first instance contact your account handler, either orally or in writing. Alternatively you can make a complaint to the Compliance Manager at Lycett, Browne-Swinburne & Douglass Limited, Milburn House, Dean Street, Newcastle upon Tyne, NE1 1PP.

Your complaint will be acknowledged within five working days, advising you who is dealing with the complaint and setting out our complaint handling procedures. You will be advised within the procedural timescales as to the resolution of the complaint, but if the complaint cannot be resolved within those timescales, then we will keep you informed of progress and the likely timescale involved.

You will be advised of any further redress available to you, should you believe that the matter has not been resolved to your satisfaction and the complaint may be referred to the Financial Ombudsman's Service. This facility is only available to consumer clients and small commercial clients, that is those who have turnover not exceeding £1,000,000.

Financial Services Compensation Scheme

Should Lycetts be unable to meet its liabilities, then you may be entitled to compensation from the Financial Services Compensation Scheme. Details are shown in your policy documentation.

Documents

We reserve the right to retain Certificates of Insurance or other policy documents at this office until all payments due under the policy have been met. Any agreed facilities for payment of premiums by instalments through us will be the subject of a written agreement, which will include the authority to retain Certificates of Insurance or other policy documents until all payments have been received.

By accepting this agreement, you agree that delivery of any Certificates of Insurance to us shall constitute delivery to you in accordance with statute law. Should we withhold any documents we will ensure that you receive full details of your insurance cover.

Notice

Insurers pass information to the Claims and Underwriting Exchange, run by Insurance Database Services Ltd, and Motor Insurance Anti-Fraud and Theft Register, run by the Association of British Insurers. The aim is to check information provided and also to prevent fraudulent claims.

Motor Insurance details are added to the Motor Insurance Database, run by the Motor Insurers Information Centre, which has been formed to help identify uninsured drivers and may be searched by the police to help confirm who is insured to drive. In the event of an accident, the Database may also be used by insurers and the Motor Insurers Bureau to identify relevant policy information.

Remuneration

Our remuneration will either be a fee as agreed with you, or a commission which is a percentage of the insurance premium paid by you and allowed to us by the insurer with whom the insurance contract is placed, or where appropriate and with your consent, a combination of both. We make no other additional charges to the payment made by you to the premiums required by the insurer.

We accept payment by guaranteed cheque, most major credit and debit cards, and cash (subject to maximum amounts as agreed). You may be able to spread your payments through insurers' instalment schemes, or a credit scheme which you could arrange yourself through a finance provider. Payment terms are strictly thirty days unless by Direct Debit, or specified otherwise.

We provide services to insurers that are not directly related to the services provided to you and we receive usual and customary remuneration in recognition of those services.

This remuneration may be a management or administration fee, or payments based upon the volume or profitability of insurance business placed with a given insurer over a specific period. Additionally we may receive payment from premium finance companies or credit card agencies for arranging transactions through them.

It may be appropriate and for your benefit for us to use another intermediary or managing agent to assist us in fulfilling your insurance requirements. These companies may receive usual and customary remuneration for the services they provide.

If you are a commercial client you are entitled, at any time, to request information regarding the remuneration which we may have received as a result of placing your insurance business.

Client Money

We act as trustees of our clients' monies and must meet certain legal and regulatory conditions. We will hold client money separately from our own money with a licensed bank, segregated in a client bank account that is subject to a non-statutory trust. Under a non-statutory trust we are entitled to use client money to make advances of credit; for example to pay one client's premium before that premium has been received, using another client's money in the trust account or to pay claims and premium refunds to clients before such monies have necessarily been received from an insurer.

Where we hold monies in a client bank account we may earn interest on the monies held, which will be retained by us.

Insurers' Monies

On some occasions we will receive the premiums you pay to us as agent for the insurers. This will be the case where we place your insurance under a binding authority or where the insurer has agreed that payment of monies to us represents payment to the insurer. This means that, in effect, premium has been paid to the insurer as soon as it is received by us. So, if for any reason, we do not pay those monies to the insurer, you cannot be obliged to pay again.

Such premiums will be co-mingled with other client money in our client bank accounts.

Payment To Third Parties

We may transfer client money to a third party, such as another broker or settlement agent, for the purpose of effecting a transaction on your behalf through that entity. We do, however, still remain responsible to you in respect of your money.

These parties may include brokers and settlement agents outside of 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 to 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 party in a particular jurisdiction.

Conflicts of Interests

Circumstances may arise where we find that we have a conflict of interest, or otherwise have a material interest in, or related to, a matter in which we are acting. For example, we may be asked to act on behalf of an insurer in the appointment of a loss adjuster or we may find that the interests of two clients for whom we act, conflict.

We have conflict management procedures and we seek to avoid conflicts of interest, but where a conflict is unavoidable we will explain the position fully and manage the situation in such a way as to avoid prejudice to any party.

The insurance market is complex and there could be other relationships not described here which might create conflicts of interest. Whatever the circumstances, we will act in your best interests and, if a conflict arises for which there is no feasible solution, we will withdraw, unless you wish us to continue to act for you and provide us with your written consent to that effect.

Your placement of business with us is deemed to confirm your acceptance of these Terms of Business.

Lycett Browne-Swinburne & Douglass Ltd
Milburn House
Dean Street
Newcastle Upon Tyne NE1 1PP

Telephone: 0191 232 1151
Fax: 0191 232 1873
Email: info@lycetts.co.uk
Website: www.lycetts.co.uk