

Client Terms of Business

Applicable from the 1st November 2009. These terms of business supersede all previous terms you may have received from us. Please keep them with you policy(ies), for future reference.

Proceeding with a quotation or a renewal implies your acceptance of our Terms of Business. Acceptance of them gives us the authority to instruct insurance providers on your behalf based on our understanding of your instructions.

DEFINITIONS:

- a) "We/us" means Internet Insurance Services UK Ltd. Alton House, 27-31 Grange Road, Darlington, DL1 5NA. Tel: 0844 875 44 44.
- b) "Financial Services Authority" (FSA) 25 The North Colonnade, Canary Wharf, London E14 5HS. Tel: 0845 606 1234

Accepting our Terms of Business

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

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

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.

The Financial Services Authority

Internet Insurance Services (UK) Ltd trading as UKINSURANCENET is authorised and regulated by the Financial Services Authority (FSA). Our FSA Register number is 300859.

Our permitted business is advising, arranging, dealing as agent and assisting in the administration and performance of general insurance contracts.

You may check this on the FSA's register by visiting the FSA website,

<http://www.fsa.gov.uk/Pages/register/> or by contacting the FSA on 0845 606 1234.

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Our Service

Our role is to advise you and, after we have assessed your needs, to make a suitable recommendation. Occasionally we act as the agent of another intermediary.

In situations where we are able to arrange insurance for you but do not offer advice, we shall confirm the position to you in writing.

We select personal and commercial insurances from a wide range of insurers, but for certain products, we may only deal with a single insurer or select from a limited number of insurers.

We will give you further information about this before we finalise your insurance arrangements. For certain types of insurance policies we are authorised to issue policy documentation on behalf of insurers.

We will not in any circumstances act as an insurer nor guarantee or warrant the solvency of any insurer.

Direct Offer

Some of the quotations and the supporting information we provide directly from the Internet sites are made on a direct offer, non-advised basis. This does not therefore constitute personalised advice. No recommendation is made as to whether the specified products are suitable and match your personal circumstances.

Quotations

Our quotations are based on the information provided on a given date, valid for acceptance at that time and for only the exact circumstances and criteria given by you. You should be aware that occasionally insurers change premium rates, terms and/or conditions without notice, which can invalidate a quotation. Insurers always reserve the right to decline any proposal or vary terms of acceptance. We must also reserve this right.

Complaints and Compensation

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

In writing: Write to “The Compliance Manager”, at the address shown above

By phone: 0844 875 37 65.

By E-mail info@ukinsurancenet.com

We have laid down internal procedures for dealing with complaints and should we receive any complaints then they are acknowledged within 5 business days. This initial response will include a copy of our procedures, and copies of these procedures are available on request. If you are not satisfied with our final response, you may refer the matter to the Financial Ombudsman Service.

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Access to the FOS is available for complainants coming within one of the following categories at the time we receive their complaint:

- Consumers (e.g. private individuals)
- Before 1st November 2009 - businesses with a group annual turnover of under £1 million
- From 1st November 2009 - businesses employing fewer than 10 persons and with a turnover or annual balance sheet total not exceeding £2 million
- Charities with an annual income of under £1 million
- Trustees of a trust with a net asset value of under £1 million

We are covered by the Financial Services Compensation Scheme (FSCS). 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. Insurance advising and arranging is covered for:

- Until 31st December 2009 - Insurance advising and arranging is covered for 100% of the first £2,000 and 90% of the remainder of the claim without any upper limit
- From 1st January 2010 - Insurance advising and arranging is covered for 90% of the claim, without any upper limit

Further information about compensation scheme arrangements is available from the FSCS on 020 7892 7300 or www.fscs.org.uk.

Payment for our Services

We normally receive commission from insurers or product providers. Occasionally fees may be charged in addition to or instead of commission.

On request, we will be pleased to provide information about any commission received by us in the handling of your insurances.

Full information about payment options will be provided to you when arranging your insurance. 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.

In addition to the premiums charged by insurers, we normally make the following charges to cover the administration of your property insurance:

Arranging new policies	£10
Direct Debits	Charges vary from insurer to insurer
Instalment plan 3 Month	3% of total premium (minimum £10)
Instalment plan 4 Month	4% of total premium (minimum £10)
Late payment	Interest is charged at 3% over Barclays Bank base rate
Mid Term adjustments	£10
Payments by credit card	2.00% of transaction amount
Policy Cancellation (see table below)	£10 plus refund of premium as detailed in the table below.
Renewal paperwork	£10
Replacement insurance documentation	£10
Unpaid Direct Debit or cheque	£10



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Where commission levels offered by insurers or underwriting agents are insufficient to allow the company to offer its services profitably we reserve the right to apply charges in respect of administration and brokerage costs. The specific charge and purpose of any additional charges will always be advised to you in advance in line with the FSA rules.

We normally accept payment by guaranteed cheque, debit or credit card. You may be able to spread your payments, subject to an additional charge, either through an insurer’s instalment scheme, or a credit scheme that we have arranged with a specific premium finance provider.

Full payment of premium and fees is due before cover commences, or as otherwise stated under terms of credit, or in the debit note, invoice or statement issued to you.

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

Cancellation of Insurances

You should make any request for the cancellation of a policy in writing and any relevant certificate of insurance should be returned to us or to the insurer concerned. In the event of cancellation, charges for our services will apply in accordance with the Tariff of Fees (above). In addition the terms of your policy may in some instances allow insurers to retain the premium in full or to charge short-period premiums in the event of cancellation. Please refer to your individual policy terms and conditions for further information.

Policy cancellation rights and terms and conditions vary between insurers. Your insurance contract may include a cancellation clause. If you are classed as a consumer type customer, this is mandatory. Cancellation refunds are not normally given after a claim and are otherwise calculated on a short period scale weighted in favour of the insurers. Some insurers maintain that their costs are similar whether a policy has run for one day or a year. Please see scale below.

Month	Charge
Month 1	Minimum of 50% refunded
Month 2	Minimum of 40% refunded
Month 3	Minimum of 30% refunded
Month 4	Minimum of 20% refunded
Month 5	Minimum of 10% refunded
Month 6 - 12	Minimum of 0% refunded

Where possible, refunds will be greater than shown in this scale; however, we reserve the right to use the above tariff.

No refunds will be given until funds are returned to us from the insurer.

In the event of a policy being amended or cancelled we will deduct our commission from all premiums rebated by the insurers in addition to the above administration charges.

In view of the costs involved in making changes to your policy, we will not issue individual refunds of less than £10.00.

Premiums for some policy types (e.g. travel, liability etc.) are non-refundable. In addition to the above scale, charges for credit card use and instalment fees are non refundable.

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Commercial customers may cancel their insurance in accordance with the relevant policy terms and conditions. Any return premium will be at the discretion of the insurer.

Some clients may not be charged for cancelling particular types of protection products (such as Payment Protection Insurance or personal accident and sickness policies) providing they do so within 30 days. If you will not be subject to the cancellation charge this will be confirmed in separate documentation we provide.

Premium Finance

Where payment of your premium is to be made over a period of months, the underwriters or third party credit companies may obtain credit references. You have the option to cancel your credit agreements at any time and the full balance of premium will become immediately payable. In the event of non-payment of an instalment, you will receive written confirmation of the outstanding balance, together with the date before which the outstanding premium must be paid. Failure to pay the balance of premium prior to the deadline will result in the immediate termination of the policy. Any return premium following the cancellation of the policy will be used to offset the unpaid balance. Under some circumstances, the refund will not meet the amount of the debit balance and you will be required to pay the difference.

Handling Client Money and/or Insurer Money

Our financial arrangements with most insurance companies are on a “risk transfer” basis, which 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. You will be notified if Risk Transfer does not apply and such monies will then be held by us in a Non-Statutory Trust account pending payment. The establishment of the Non-Statutory Trust account follows the rules which the FSA introduced to protect money held by authorised intermediaries. However, you should be aware that, under the Non-Statutory Trust account rules, we are permitted to use such monies temporarily held to advance credit to clients generally. A copy of the Deed of Trust is available on request or may be inspected at our premises during normal office hours. If you object to your money being held in a Non-Statutory Trust account you should advise us immediately. Otherwise, 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.

Please note that this Non-Statutory Trust client account is completely separate from our trading account.

For the purpose of some transactions, client money may pass through other authorised intermediaries before being paid to the insurer.

Changes to Your Cover

We will normally try to deal with requests to increase or amend your insurance cover on the day we receive your instructions, or within three working days if a weekend or public holiday. Sometimes changes cannot be processed without obtaining additional information. If additional information is required we will contact you as quickly as possible.

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We will confirm changes to your policy, once agreed with Underwriters, in writing. We will also advise you of any extra premium, fees, charges or additional conditions, terms or warranties required.

Please note that instructions sent by post, electronic mail or fax, are not deemed to be received until they reach the relevant personnel in our office. We cannot accept responsibility for failures in the postal, electronic or telecommunications systems.

Awareness of Policy Terms

When a policy is issued you are strongly advised to read it carefully, as it is that document, the schedule and any certificate of insurance that is the basis of the cover you have purchased. If you are in any doubt over the terms and conditions, please seek our advice promptly.

Renewal of Policy Cover

In all cases we will assume that you wish to receive a renewal notice from us in advance of the expiry of your insurance (other than one-off contracts). If you do not wish to receive a renewal offer, please contact us. If an insurer does not offer renewal terms for whatever reason, we will try to give you reasonable notice and endeavour to obtain quotations with other underwriters.

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 the relationship and we will be entitled to retain any commission received for conducting these transactions, together with all fees charged by us for services provided.

Your Responsibilities

You are responsible for providing the complete and accurate information, which insurers require in connection with any proposal for insurance cover. This is particularly important before taking out a policy and at renewal, but it also applies throughout the life of a policy. If you fail to disclose information, or misrepresent any fact, which may influence the insurers decision to accept the risk or the terms offered, this could invalidate the policy and mean that claims may not be paid. You must check all details on any proposal form or Statement of Facts and pay particular attention to any declaration you may be asked to sign.

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 should be paid to any warranties and conditions as failure to comply with them could invalidate your policy.

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You must inform us immediately of any changes in circumstances that may affect the services provided by us or the cover provided by your policy.

If you are unsure about any matter, please contact us for guidance.

Cooling Off Period

A customer who is classified as a consumer, as opposed to a commercial customer, will receive a full refund (excluding any set up charges) should cancellation occur within the cooling off period, which is 14 days from the date you receive the policy booklet, providing no claims have been made.

This initial cooling off period is extended to 30 days for particular types of protection products (such as Payment Protection Insurance or personal accident and sickness policies).

If you decide to cancel the policy or we enforce cancellation, then you will be liable to pay all monies due to us as earnings under the policy, which is in addition to any charge the insurer makes for the time you have been on cover.

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 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 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 "The Customer Service Manager" at the address shown above.

IMPORTANT

Insurers pass information to the Claims and Underwriting Exchange run by Insurance Database Services Ltd. and the Insurance Anti-Fraud and Theft Register run by the Association of British Insurers. The aim is to check information provided and also prevent fraudulent claims. In the event of a claim the database may be used by Insurers to identify relevant policy information.

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Conflict of Interests

Occasions can arise where we or one of our 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.

Claims Handling Arrangements

You should take note of the required procedures in the event of a claim, which will be explained in the policy documentation. Generally, insurers require immediate notification of a claim or circumstances, which might lead to a claim. We will employ due care and skill if we act on your behalf in respect of a claim. For an emergency then you may find a helpline number for the insurance company in your policy documentation.

Buildings Sums Insured

UKinsurancenet are unable to offer direct advice on rebuilding costs (reinstatement values) of properties, and we would always recommend that the services of a building surveyor, architect or similar are used to confirm property rebuilding costs. A current Mortgage Valuation Report carried out on behalf of a mortgage lender may also show the correct property rebuilding cost. UKinsurancenet may recommend that their clients consult the Royal Institute of Chartered Surveyor's (RICS) website (www.bcis.co.uk) to help calculate the property rebuilding cost. Should we receive a request from any of our clients, policyholders, or potential policyholders, to visit the RICS website on their behalf for the purpose of calculating the rebuilding cost of a property, then UKinsurancenet will not be held responsible for any errors or inaccuracies resulting from this service. UKinsurancenet recommend that any rebuilding cost obtained by them on behalf of their clients, policyholders, or potential policyholders should be independently checked on the RICS website by the client, policyholder, or potential policyholder.

Money Laundering/Proceeds of Crime Act

Sales of certain pure protection products fall under the Money Laundering regulations; this requires us to obtain evidence of a client's identity at the start of a business relationship. We may ask for sight of your passport, utility bill or bank statements. For companies, evidence usually consists of a copy of the Certificate of Incorporation or we may check the Companies House register.

Governing Law

Our Terms of Business will be governed by and construed in accordance with English Law.

NOTE. Your acceptance of these Terms of Business does not affect your normal legal rights.