

# Terms of Business Agreement

## Accepting our Terms of Business

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Please read this document carefully. It sets out the terms and conditions on which we agree to act for you and contains details of our respective responsibilities. By asking us to quote for, arrange or handle your insurance, you are providing your informed agreement to these Terms of Business. This document will supersede any Terms of Business previously in force. Please contact us immediately if there is anything in these Terms of Business which you do not understand or with which you disagree.

References to "We" and "Us" means WM Brokers Ltd. References to "you" means the insured and/or their appointed agent.

## The Financial Conduct Authority

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WM Brokers Ltd is authorised and regulated by the Financial Conduct Authority with FCA Register number FRN 301643.

We are an Insurance Intermediary and our permitted business is arranging, advising, dealing as agent, making arrangements and assisting in the administration and performance of general insurance contracts and pure protection contracts. We are also authorised to undertake the following consumer credit activities: Credit Broking. You can check this on the FCA's register by visiting the FCA website <https://register.fca.org.uk/> or by contacting the FCA on 0800 111 6768.

## Our Service

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We generally provide advice on the basis of a fair and personal analysis of the market and can place business with a range of insurers. We act on your behalf in sourcing a suitable policy for you.

For some specific cover types, we may only deal with a single insurer or a limited number of insurers and do not advise on the basis of a fair and personal analysis of the market. In these cases, we will advise you of this and specify the insurers that we deal with for that type of cover. When providing advice in this way, we are not under a contractual obligation to conduct insurance distribution exclusively with these insurers.

We may at times act on behalf of the insurer under a delegated authority agreement whereby we are able to quote or issue policy documentation on their behalf. Where we recommend a policy with an insurer where we act under a delegated authority agreement, we will advise you of this.

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

Your specific circumstances will dictate which of these bases is the most appropriate for you. The approach which we adopt, will be based on our knowledge of the market, the quality of an insurer's policy terms and claims service and the insurer's ability to provide definitive contract terms at inception of insurance. We will provide you with a personal recommendation.

In some circumstances, a product may be offered to you on a non-advised basis with no personal recommendation. We will, however, provide sufficient information to enable you to make an informed decision as to whether the product is suitable for your needs. We will tell you if a sale is on a non-advised basis.

Requests for cover or changes to your insurance are not effective until they are confirmed by us.

## Conflicts of Interest

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We are part of Brown & Brown Insurance Brokers (UK) Limited which comprises a number of insurance intermediaries. We may sometimes approach other Brown & Brown companies to provide quotes and may recommend their products if they are assessed to meet your needs. We will tell you if this is the case. No firms within the Brown & Brown group have any direct or indirect shareholdings in any insurers.

It is our aim to avoid any potential or actual conflicts of interest in our dealing with you, if a conflict does arise, we will advise you of this in writing and obtain your permission before proceeding. This agreement will not prevent us from acting for other clients who may be competitors of yours. In the event that we identify such a conflict of interest in our providing any services to you we will notify you as soon as reasonably practicable and where we are able to do so, agree how to continue to provide the services.

Nothing in this agreement overrides or discharges our duty to place your interests before all other considerations nor shall this agreement override any legal or regulatory requirements which may apply to us prevailing from time to time regarding your insurance or reinsurance business or the handling of claims.

## **Complaints**

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It is our policy to promote the highest standard of service for our clients. We endeavour to ensure that all complaints are resolved satisfactorily and in a timely manner. If you have a complaint about our services, you may contact the member of our staff with whom you normally deal. Alternatively, please contact us at the address below:

David McGowan WM Brokers Ltd, Friars House, 2 Falcon Street, Ipswich IP1 1SL email: [david@wmbrokers.co.uk](mailto:david@wmbrokers.co.uk) 01473 408408

You may make your complaint either orally or in writing. We will acknowledge receipt of your complaint promptly in writing and give you our response at the time, if we can. If following receipt of our final response or after eight weeks if we have not yet provided you with our final response, if you are an eligible complainant, you have the right to refer your complaint to the Financial Ombudsman Service (FOS) at Exchange Tower, London. E14 9SR Tel: 0800 023 4567. Further information is available on their website ([www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)).

Who is an Eligible Complainant?

- Any private individual
- A micro-enterprise which employs fewer than 10 persons and has a turnover or annual balance sheet that does not exceed €2 million.
- A small business which has an annual turnover of less than £6.5 million and employs fewer than 50 employees or has a balance sheet total of less than £5 million
- A charity which has an annual income of less than £6.5 million
- A trustee of a trust which has a net asset value of less than £5 million
- An individual who has given a guarantee or security in respect of an obligation or liability of a small business

If your policy is placed with a Lloyd's Syndicate and you wish to ask Lloyd's to investigate your complaint you may do so by contacting: Complaints Team at Lloyd's, One Lime Street, London, EC3M 7HA; [complaints@lloyds.com](mailto:complaints@lloyds.com); 020 7327 5693; [www.lloyds.com/complaints](http://www.lloyds.com/complaints)

## **Compensation**

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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. Insurance advising and arranging is covered by the FSCS for 100% of your claim if it relates to compulsory insurance. For other cases, it is covered for 90% of the claim, with no upper limit. The FSCS does not cover reinsurance, marine, aviation or transport business or credit insurance.

Further information about compensation scheme arrangements is available from the FSCS, via their website, [www.fscs.org.uk](http://www.fscs.org.uk) or calling them on 0800 678 1100.

## **Our Remuneration**

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Payment for our services is generally by way of any one or a combination of the following:

- We usually receive a commission from the insurer which is expressed as a percentage of the annual premium you pay. Commission will be taken by us on receipt of cleared funds from you or when the insurer has received the cleared funds from us depending on the arrangement in place with each insurer.
- We will also usually charge you a standard administration fee when taking out a policy with us and on mid-term adjustments and policy cancellations. Where we charge administration fees full details will be advised to you prior to inception of your policy.
- We may also charge you other fees in place of, or in addition to, the commission we earn from insurers. We will advise you of any such fees before you take the policy out or before any mid-term adjustments.
- The services that we provide in return for commission are not diminished in the event that a policy is cancelled. In line with standard market practice, we will usually retain our full annual commission out of any gross return of premium made by an insurer before remitting a return premium to you in the event of a policy cancellation. We may also retain commission in relation to refunds made to you from insurers as a result of mid-term adjustments to a policy when we are satisfied that this retention is justified in terms of the work undertaken at original inception of the policy.
- We also reserve the right to recover any discounts allowed by us during the term of a policy after cancellation in the event that we cancel it due to non-payment.
- However, commission will not be retained for cancellations that are made by you in the cooling off period.

Additionally, we also receive remuneration in certain circumstances as set out below:

- Brown & Brown Insurance Brokers (UK) Limited may receive a payment from certain insurers based on sales or performance across all firms within Brown & Brown Insurance Brokers (UK) Limited. We may receive a proportion of any such payment

- Brown & Brown may sometimes be paid Fees for Services. This is a payment made by an insurer in return for the provision of services over and above those covered by the commission paid and is based on gross written premiums.
- Brown & Brown may sometimes be paid Insurance Service Brokerage (ISB). This is a payment made by an insurer in return for the provision of services to support the development and administration of the insurer's insurance business where no commission is paid.
- Where you pay your premiums by monthly instalments, we receive a payment from the finance provider for introducing you, which is usually a percentage of the amount financed. Whilst we may recommend a provider to you, you remain free to make your own choice of premium finance provider.
- Where you purchase non-insurance products from us, we may earn a fee from the supplier which is usually a percentage of the purchase price.
- Where you agree to utilise the services of a third-party provider (e.g., replacement vehicle) we may earn a fee from that provider
- Some of our staff may be paid a bonus if they hit pre-agreed sales targets.

You can ask us at any time for full details of the income earned by us in handling your insurance.

### **Credit Searches**

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Credit searches may be undertaken in connection with the provision of your insurance for example by Insurers when providing a quote and premium finance providers when seeking payment via direct debit. Any such credit search will appear on your credit report whether or not you take out or renew a contract with them.

### **Handling Money –Non-Statutory Trust**

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Client money is money of any currency that we receive and hold on behalf of our clients in the course of carrying on business as an insurance intermediary, or money that we treat as client money in accordance with the FCA Client Money Rules. We may also hold premiums, premium refunds and claims as agent of the insurance undertaking, in which case any money received by us is deemed to have been received by the insurance undertaking.

We hold client money in a statutory trust. We will retain any interest earned on the client money we hold.

We will take any commission owed to us upon receipt of the premium.

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. If the third party is outside the UK, the legal and regulatory regime may differ and you may notify us if you do want your money passed to person in a particular territory. By paying your premiums you are agreeing to us holding client money in the above manner.

### **Payment of Premiums**

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You must pay your premiums on or prior to inception of the policy or within the timescale specified in the debit note we send you. Failure to pay premiums by the date specified may lead to cancellation of your insurances by insurers. In addition, where a premium payment warranty applies failure to pay the premiums in accordance with the warranty will result in the automatic suspension of your policies until payment is made even if the insurer chooses not to issue notice of cancellation of your insurances. The insurer will not be liable for any loss suffered during any period of suspension.

You may be able to spread your payment using a premium finance scheme through the relevant insurer or we can introduce you to a third-party premium finance provider. Please note that credit is subject to status and is not guaranteed. A variable charge may apply for this and details will be provided before you make a decision to proceed with cover. You should refer to your credit agreement for full conditions, charges and consequences of default.

We will always contact you in good time before renewal to provide renewal terms. It is important that if you do not wish to renew that you inform us as soon as possible, when the payment for the contract you have undertaken is by instalments (e.g. by direct debit), some policies may be renewed automatically if you have not contacted us to confirm that you no longer require such insurance.

### **Market security**

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We check the financial strength ratings of the insurers with whom we place your business using specialist rating agencies. We do not assess or guarantee the solvency of any insurer at any time during the contract period. If an insurer who has granted risk transfer to us becomes insolvent, any related premiums we hold for that insurer are deemed to have been paid to them and will not be returnable to you. In the event of any insurer's insolvency, you may still have a liability to pay the premium. We do not accept any liability for any unpaid amounts in respect of claims or return premiums due to you from a participating insurer who becomes insolvent or delays settlement. You will also additionally have the responsibility for payment of premiums if you require replacement security.

## **Financial Crime**

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We may ask you for evidence of your identity at the start of our business relationship. In the absence of such evidence, we may be unable to act for you. This is to help us to meet our obligations under anti-money laundering regulations. We observe sanctions legislation in the territories in which we operate. We will use information about you and others named on your policy to check information against UK and other sanction lists. We comply with all applicable laws, regulations, codes and sanctions relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010 and shall not engage in any activity, practice or conduct which would constitute an offence.

## **Your Responsibilities**

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It is your responsibility to ensure that any proposal forms or any other applications that we complete on your behalf are accurate and complete. You must also review confirmation of cover/policy documents supplied by us to you to ensure that they accurately reflect your requirements. If we have provided your documents electronically you can ask us for a paper copy. Particular attention should be paid to policy conditions, claims conditions and/or warranties (if applicable) as failure to comply may reduce or invalidate your cover. Should there be any discrepancies, you must notify us immediately.

It is your responsibility to ensure that all sums insured and policy limits are adequate. Whilst we seek to assist in establishing and maintaining insured values and indemnity limits, we cannot accept responsibility for their accuracy.

## **Duty of Disclosure - Consumers**

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If you are a consumer insured (an individual buying insurance wholly or mainly for purposes unrelated to your trade, business or profession) you have a duty to take reasonable care to answer the insurer's questions fully and accurately and to ensure that any information that you volunteer is not misleading.

This duty exists before your cover is placed, when it is renewed and any time that it is varied, and your policy wording may provide that it continues for the duration of the policy. If you do not do this, your insurer may be able to impose different terms on your cover, may charge you a higher premium or, in some circumstances, may be able to avoid your policy from inception and any claims under it would not be paid.

## **Fair Presentation – Commercial Customers**

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If you are a business insured (i.e., an insured who has bought insurance wholly or mainly for purposes related to their trade, business or profession) the business has a duty to make a fair presentation of the risk to the insurer. This entails disclosing to the insurer every material circumstance which you know or ought to know. You should conduct a reasonable search to ascertain all material facts within your organisation, making enquiries of senior management and other relevant individuals where necessary.

You must make accessible to us members of your senior management (or the most appropriate persons) to provide accurate, complete and timely information to enable us to fulfil our obligations to make a fair presentation of your risk to insurers.

The disclosure should be made in a clear and accessible way.

This duty to make a fair presentation applies before your cover is placed, when it is renewed and any time that it is varied. Your policy wording may also provide that this duty continues for the duration of the policy.

A circumstance is material if it would influence an insurer's judgment in determining whether to accept the risk, or the terms of the insurance (including premium). If you are in any doubt whether a circumstance is material, we recommend that it should be disclosed.

Failure to disclose a material circumstance may entitle an insurer to impose different terms on your cover or proportionately reduce the amount of any claim payable. In some circumstances an insurer will be entitled to avoid the policy from inception and in this event any claims under the policy would not be paid.

## **Failure to Disclose a Material Fact**

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Insurers have differing remedies depending upon the nature of the non-disclosure and what would have happened had you fairly presented the risk:

Deliberate or reckless presentation of the risk: Insurers are entitled to avoid the policy and retain all premiums

Failure to present the risk fairly but this was not deliberate or reckless: This depends on how the insurers would have dealt with the policy had the risk been fairly presented. If they can demonstrate that they would have not provided the policy they are entitled to avoid the policy and no claims would be payable. You would be entitled to a refund of the premium. If insurers would have provided the policy but on different terms, those terms will be applied to the policy from inception. If insurers would have provided the policy and charged an increased premium, claim settlements could be reduced by the proportion of the increased premium.

## **Warranties and Conditions Precedent**

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A warranty is a term in an insurance contract which must be strictly complied with. In the event that a warranty is breached, the insurer's liability may be suspended until the breach is rectified. Cover is reinstated once the breach is rectified, however, insurers may have no liability to pay losses occurring or attributable to something happening during any such period of suspension.

Where a warranty or other term has been breached insurers may still be liable to pay claims occurring during the breach period, provided the insured can prove that the breach did not increase the risk of the loss which actually occurred and the provision breached does not define the risk as a whole.

Please also take particular note of any conditions precedent that appear in the policy. If a condition precedent to the validity of the policy or to the commencement of the risk is not complied with, the insurer will not come on risk. If a condition precedent to the Insurer's liability under this policy is not complied with, the insurer may not be liable for the loss in question. A condition precedent may exist in the policy using other terminology and

without reference to the words 'conditions precedent'.

It is very important that you read the full policy carefully and, if you are unsure of, or are unable to comply with, any provisions, please contact us immediately.

## **Fraud**

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Insurers will be entitled to terminate the policy from the date of the fraudulent claim or act, but must still cover claims arising from incidents occurring before the fraudulent act

## **Contracting Out**

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Insurers may contract out of certain clauses of the Insurance Act 2015 (other than basis of contract clauses). We will advise you where they have contracted out of any clauses.

## **Use of Personal Data**

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We are committed to protecting your personal information. We will use personal information about you fairly and lawfully, primarily in connection with the provision of insurance. Full details can be found in our Privacy Notice at [Privacy Policy - WM Brokers | Insurance Brokers | UK](#) which specifies the information we may collect on you and from whom, how and why we use this information, how we may share (including with other companies in the Brown & Brown group and disclose the information and the retention of your data. In some instances, we may need to seek your consent before processing such data. We will always make it clear to you when and why we are seeking your consent. A hard copy of the Privacy Notice is available on request.

If you already hold a policy with us and have not chosen to opt out of e-marketing then you will be on our e-marketing list. You can choose to opt out at any time by contacting us to update your marketing preferences. Additionally, any e-marketing that you receive from us will include a clear opt out option.

You have a number of rights (including the right of access to see personal information about you that is held in our records) and these are detailed in the Privacy Policy, but for any questions or concerns relating to the Privacy Policy or our data protection practices, or to make a subject access request, please contact us at:  
WM Brokers Ltd – Company Secretary, 7<sup>th</sup> Floor, 55 Mark Lane, London EC3R 7NE.

We are registered with the Insurance Commissioner's Office (ICO) – you can check this at [www.ico.org.uk](http://www.ico.org.uk).

Instructions to incept or renew a policy can only be taken for the policyholder. If you wish to nominate someone to give instructions on your behalf in respect of mid-term adjustments to an existing policy – we require prior notice in writing.

For security, training and audit purposes calls to and from our offices may be recorded.

## **Cancellation/Transfer of Policies**

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We will advise you whether you have the right to cancel the policy and the conditions for exercising these rights prior to conclusion of any insurance policy. Full details of cancellation right, notice periods and premium implications can be found in your policy document. Notice of cancellation of any statutory cover for which a certificate has been delivered must be in accordance with the conditions stated in your policy document.

Where a policy is declared void by the insurer or cancelled, other than during any cooling off period, we will retain any fees and commission for the full policy period. If we cancel a policy due to non-payment, we reserve the right to recover any discounts allowed by us during the term of your policy after cancellation.

Should you transfer your policy to the control of another brokers during the currency of the policy, we will retain and/or be entitled to demand any commission and/or fees charged/chargeable for the full policy period.

## **Claims**

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In the event of an incident occurring which could give rise to a claim under your policy, you should notify us as soon as possible in accordance with your policy conditions. Failure to do so could prejudice your insurer's position and lead to the claim being repudiated or not paid in full. When we receive notification of an incident that could give rise to a claim, we will respond promptly, explain how we will handle your claim and tell you what you need to do. We will give you reasonable guidance to help you make a claim under your policy.

We reserve the right to charge a fee for our services if you cease to be our client but wish us to handle claims on your behalf and we agree to do so.

You should be aware that insurers exchange information through various databases to help check the information provided and prevent fraudulent claims, in particular, the Motor Insurers'

Bureau (MIB) which hosts the Claims Underwriting Exchange (CUE) and the Motor Insurance Anti-Fraud and Theft Register (MIAFTR). CUE holds records on claims, whereas MIAFTR holds records on vehicles that have been written off.

## **Our Liability to you**

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Unless we have otherwise agreed with you in writing, we shall treat your instructions to us to place or renew your insurances as acceptance of the limitation of our liability to you, and/or to any other person with an interest in your insurances. Our entire liability in contract, tort (including without limitation negligence) or otherwise will be strictly limited to £10million in respect of all aggregated claims brought by you in respect of the services provided by us, save that the following is wholly excluded:

- loss of profits;
- loss of sale or business;
- loss of agreements or contracts;
- loss of anticipated savings;
- loss of use or corruption of software, data or information;
- loss of or damage to goodwill; and/or
- indirect or consequential loss.

Our limit of liability detailed above relates to all and any claims brought against us, save for those claims made related to the following:

- resulting from our breach of the FCA's rules; or
- resulting from our fraudulent acts or any of our acts which are deliberately contrary to our agreement with you; or
- in relation to any liability for death or personal injury resulting from our negligence; or
- in relation to any liability which cannot lawfully be excluded or limited

## **Governing law and language**

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The relationship between us as broker and you as customer is governed by English Law. If there is a dispute which cannot be resolved under our complaint's procedure, it will only be dealt with in the courts of England and Wales.

These terms of business are supplied only in the English language and all communications for the duration of our appointment will be in the English language unless, if you are a customer in a European Economic Area state other than the United Kingdom, you require otherwise.

## **Severability**

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If any provision of these Terms of Business is found to be invalid or unenforceable in whole or in part, the validity of the other provisions of these Terms of Business and the remainder of the provision in question will not be affected

## **Rights of third parties**

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No provision of these Terms of Business will be enforceable, by virtue of the Contracts (Rights of Third Parties) Act 1999, by any person other than you or us.

## **Termination of the Agreement**

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This agreement may be terminated at any time by mutual consent or by the other party giving 14 days' notice in writing.