

# Client Information

Please take time to read through our terms of business as these are important and form the basis of our relationship.

Should you require a copy policy document at any time please let us know, one will be made available for you

Whilst it is impossible to define every insurance term used we have provided explanations of some of the terms that we feel need to be fully understood by you in order that you are able to assess your insurance needs and review your current insurance arrangements.

## Company Title / Business Description

Your policy has been arranged with a stated **Policyholder Title** and **Business Description**, It is important that these are accurately notified to Insurers, and, if there are any changes during the insurance period, your Insurers must be informed immediately. This is considered to be a Material Fact.

## Your Duty of Disclosure.

You are responsible for providing complete and accurate information, which insurers require in connection with any proposal for insurance cover. Depending on how you are defined under FCA rules will determine the nature of disclosure demanded.

- (a) If you are a **commercial customer** you have a duty to make a fair presentation and disclose all facts or circumstances that may influence the underwriter in deciding whether to accept the insurance, impose special terms or charge an increased premium. Such facts or circumstances could include but are not limited to trade processes, previous claims, CCJ's or defaults, bankruptcies, insolvencies, liquidations, receivership or administration relating to the business, you or any past or current director. This duty arises not only at inception of the contract, but also at renewal and throughout the life of the policy. Similarly, the duty also applies to the submission and substantiation of all claims. This duty includes all circumstances that you know or ought to know which may involve a reasonable search for information that should be available to you or your colleagues.
- (b) If you are a **consumer** i.e. an individual who enters into a contract wholly or mainly for purposes unrelated to your trade, business or profession, your duty to disclose all material information to the insurer is replaced with a duty to answer all questions in relation to any proposal for insurance cover honestly and to the best of your knowledge, providing complete and accurate information which will require taking reasonable care not to make misrepresentations to the insurer. This also applies to your responses in relation to any assumptions you may agree to in the process of applying for the insurance cover. This is particularly important before taking out a policy but also at renewal or if you make a midterm amendment to your policy.

You should check all details on any proposal forms or Statements of Facts and pay particular attention to any declaration you may be asked to sign. Please note that if you fail to disclose any material information to your insurers, there is the potential for **serious consequences**. The effect of such a non-disclosure could be that all or part of any claim may not be met, and/or the contract could be cancelled.

## Material Facts

You are under a continuing obligation to notify insurers of any material alterations to risk for example:

- Change of business activities including acquisition or disposal of any company or change of name
- New products or services with which you become involved
- Change in use of premises, including premises becoming unoccupied, newly acquired premises and extensions to or change in construction of buildings
- Onerous contract conditions
- Changes in fire and security protection and detection (including withdrawal of police response)
- Any moral hazard

When providing such information, it is important to understand that all answers or statements made are your responsibility and that if incorrect information is provided, it could result in a claim being repudiated on the basis of non-disclosure or misrepresentation.

**What happens if you make a misrepresentation**

In the event that you make a misrepresentation of information which is considered to be deliberate or reckless i.e. you were aware that you were making a misrepresentation or did not care whether or not you were misrepresenting the risk, an insurer will be allowed to avoid your policy, which means that any claims you make will not be met and no refund of the insurance premium will be made.

If however you make a misrepresentation of information which is not deliberate or reckless i.e. you appropriately carried out your duty to make a fair presentation but made an honest mistake or omission there are a number of remedies which may be applied by the insurer to achieve a fair outcome as follows:

- If the insurer can prove that it would not have written the policy at all, the insurer can avoid the policy but must return the premiums paid.
- If the insurer would have accepted the risk but on different terms, the contract is to be treated as if it included those terms
- If the insurer would have entered into the contract but charged a higher premium, the insurer may reduce proportionately the amount to be paid on a claim.

**Awareness of and compliance with policy terms.**

You have a duty to be aware of the terms and conditions of the policies you purchase or are considering purchasing. The policy will set out information over the level of cover you have chosen, obligations on you and restrictions or limitations in the cover. We would draw your attention in particular to the following:

(a) **Warranties** – A Warranty is a policy term that must be complied with literally. The law currently states that an insurer does not have to settle a claim where there the warranty has not been complied with. For the insurers to avoid settling any claims the actual loss suffered does have to be as a consequence of or related to your failure to comply with the warranty. Insurance warranties may consist of undertakings that certain things shall be done (e.g. waste removed from premises daily) or things shall not be done (e.g. certain changes in risk factors) or a declaration whereby the policyholder affirms or negatives a certain state of affairs.

If a breach occurs, the cover will be suspended until such a time that the warranty breach is remedied.

(b) **Conditions** - Conditions are parts of a policy that must be complied with. The effect of a breach by the policyholder depends upon whether it relates to;

- a condition precedent (things to be done before the contract is concluded, e.g. fair presentation of risk);
- a condition subsequent (things to be done during the policy term, e.g. maintaining certain standards);
- a condition precedent to liability (things to be done before the insurer is liable for a particular loss, e.g. proper notification.

Here are some examples of those states of affairs which the Warranty or Condition demands.

|  |  |  |
|--|--|--|
| Setting a security device e.g. alarm or lock.                                    | Store equipment in a certain manner or at a certain height.      | Report a claim or circumstance in a particular time or fashion.  |
| Notify the insurer of a change in circumstance.                                  | Inspecting the premises at specified times and keeping a record. | Issuing staff with safety equipment and having them sign for it. |
| Meeting at all times all legal or statutory requirements you have as a business. | Removing keys from the vehicle when not in use                   | Ceasing something – e.g. using a portable heater.                |

### (c) **Claims**

Claims Notification – Your policy document will demand that claims or circumstances that could, may, or are likely to give rise to a claim be reported within strict timescales, and that your conduct in dealing with that claim does not prejudice the insurers position. Your failure to report such matters to your insurers either directly or via ourselves can have the effect of the claim not being met by the policy.

To avoid any possibility of insurers repudiating a claim on the ground of late notification, we recommend that all circumstances likely to give rise to a claim are immediately reported to us unless other specific procedures have been agreed with you.

### **Reasonable Precautions**

You have a common law duty to act as if you are not insured, and to take all prudent and reasonable steps to both prevent injury or damage of the type covered by the insurance, and also to take all such actions after the event as are sensible to reduce the loss.

If you are ever in any doubt as to the extent of this duty, you should discuss the circumstances with us immediately.

### **Reinstatement**

Most policies covering buildings, contents, machinery and plant are arranged on this basis, i.e. new for old. Insurers undertake to settle a claim on the basis of the cost of replacing the lost or damaged property by similar property, equal to but not better or more extensive than when it was new. It is important, therefore, that sums insured are selected taking account of this and that the sums insured must be adequate at the time of reinstatement. If you are in any doubt regarding the adequacy of the sums insured, you should consult professional valuers.

### **Indemnity**

This is the alternative basis to Reinstatement and seeks to put you in exactly the same position after a loss as immediately beforehand. In the case of contents, machinery and plant, deductions are made for wear and tear. Loss or damage to Stock in Trade will be reimbursed on the basis of the cost price to you, adjusted where necessary, for work in progress or finished goods.

### **Reviewing Sums Insured**

When reviewing the buildings sums insured, please note the figure must reflect the rebuilding cost of the property inclusive of any professional fees and debris removal costs. To be satisfied that the insured figure is correct we would recommend that you obtain a professional valuation.

In respect of contents sums insured, please ensure the insured amount is a sufficient amount to replace the contents with new items. The stock figure should be the cost price to you and should protect you at your busiest time, although please note that some policies may provide a seasonal increase.

### **Average Clause**

Many policies covering material damage (fire and perils) and business interruption (loss of income) include this policy condition by which Insurers seek to counteract underinsurance. The condition makes you responsible for the percentage of the loss proportionate to the degree of under-insurance.

|              |             |            |
|--------------|-------------|------------|
| For Example: | Full Value  | £1,000,000 |
|              | Sum Insured | £ 700,000  |
|              | Loss        | £ 100,000  |

Insurers Pay:  $£ 700,000$  (Sum Insured)  $\div$   $£1,000,000$  (Full Value)  $\times$   $£100,000$  (Loss) =  $£70,000$

You Bear:  $£ 300,000$  (Amount of under-insurance)  $\div$   $£1,000,000$  (Full value)  $\times$   $£100,000$  (loss) =  $£30,000$

For insurance on an indemnity basis, if, in the event of a claim, under-insurance is found to exist, settlement is based on that proportion of the loss that the sum insured bears to the actual value of the property at the time of loss.

## **Premium Payment**

With the FCA regulation come a number of changes to the way we have to operate our business. These changes support the FCA approach of standardization of process and systems to ensure the customer gets best advice and financial protection.

To assist us in complying with certain aspects of the regulations we need to ensure that we have received your instructions prior to the renewal date and received payment of our invoice within 30days.

## **Data Protection & Confidentiality**

We take the security and privacy of your data seriously. We need to gather and use information or data about you as part of our business and to manage our relationship with you. We comply with our legal obligations under the Data Protection Acts 1998 (and subsequent legislation) and the EU's General Data Protection Regulation ('GDPR') in respect of data privacy and security.

**For full details, please refer to our Privacy Notice providing full details of how we handle your data.**

Bradshaw Bennett is committed to respecting and protecting your privacy. The company is the data controller of any personal information you provide to us. This means that we are responsible for complying with data protection laws. This means that we determine the purpose and means of the processing of you data. Our Privacy Notice explains how we will collect, store and use any personal data you provide to us. This notice applies to prospective, current and former clients.

We may disclose your personal information to third parties for the purposes described in our privacy notice to carry out our obligations outlined within this Terms of Business with you or for our legitimate interests.

You can contact our Data Protection Officer (Andrew Bradshaw) in writing for details of specific disclosures made in respect of your personal information. Third parties will only use your personal information under our strict instruction and are under an obligation to ensure appropriate security measures are in place. We require those companies to keep your personal data confidential and secure and to protect it in accordance with the law and our policies. They are only permitted to process your data for the lawful purpose for which it has been shared and in accordance with our instructions.

## **Employers' Liability Certificates**

With regard to the Employers' Liability Certificate this is for display at each of your premises and must detail all the companies for which cover is provided.

We would recommend that you retain a copy of all previous Employers' Liability Certificates as evidence of your Employers' Liability cover. If in the future you were not able to provide evidence of insurances, you could be held responsible for funding **ANY** Employers' Liability claims made against you.

It is in order to place a copy of the Employers' Liability Certificate on your internal website, as long as employees have reasonable access to it.



about our insurance services

**Bradshaw Bennett Ltd**  
**Catherine House, Catherine Street,**  
**Macclesfield, Cheshire, SK11 6BB**

---

**1. The Financial Conduct Authority (FCA)**

The FCA is the independent watchdog that regulates financial services. It requires us to give you this document. Use this information to decide if our services are right for you.

---

**2. Whose products do we offer?**

We offer products from a range of insurers throughout the U.K.

---

**3. Which service will we provide you with?**

We will advise and make a recommendation for you after we have assessed your needs on any general insurance matter.

---

**4. What will you have to pay us for our services?**

Our services are paid for by commission received from insurance companies with whom we place business. You will not normally be charged a fee but in the unlikely event that you are, this will always be shown.

---

**5. Who regulates us?**

Our company is authorised and regulated by the Financial Conduct Authority and our FCA Register No. 302366 and this can be checked by visiting the FCA's website [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register) or by contacting the FCA on 0845 606 1234.

---

**6. What to do if you have a complaint**

If you wish to register a complaint about our services at any time please write to the Chief Executive of the company:

in writing                      Bradshaw Bennett Ltd  
   Catherine House,  
   Catherine Street,  
   Macclesfield  
   Cheshire  
   SK11 6BB

by phone                      Telephone 01625 505870

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service.

---

**7. Are we covered by the Financial Services Compensation Scheme (FSCS)?**

We are covered by the 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 100% of the first £2,000 and 90% of the remainder of the claim, without any upper limit.

Further information about compensation scheme arrangements is available from the FSCS.

---