



TERMS OF BUSINESS

Please read this document carefully as it sets out the terms on which we agree to act for our clients and contains details of our regulatory and statutory responsibilities. Please contact us immediately if there is anything in these terms of business you do not understand or which is not acceptable to you

Introduction

Champion Insurance Brokers Limited is authorised and regulated by the Financial Conduct Authority (FCA), which is our regulator. We follow the rules and principles established by the FCA for our general insurance business activities. Our FCA registration number is 520977 and our permitted business activities are arranging and advising on non investment insurance contracts. This information can be checked by visiting the following website: www.fsa.gov.uk/register or contact the FCA on 0800 111 6768.

In the absence of an agreement to the contrary this document sets out the terms of our relationship with you (our 'client') for our provision to you of (re)insurance broking services as set out herein.

Our services

Negotiation and placing

- The FCA is a government body set up to regulate the sales, advisory, competence and service standards of Members (Insurers, Intermediaries (including Brokers), Agents and anyone acting for them). Its main purpose is to make sure that general insurance customers are treated fairly and have confidence in the financial services markets.
- Champion Insurance Brokers are primarily Commercial Insurance brokers who, on occasion, are asked to arrange policies for Private Customers. Generally for Private Customers we will only approach one or a limited number of insurers who we would consider to be appropriate, this will be detailed to you at quoting stage.
- The FCA has two classifications for customers (clients), Retail clients are those acting outside of their business activities, all other customers are classed as Commercial Clients.
- On occasions we may need to use the services of another Intermediary to access certain Insurers or Underwriters. Unless you advise to the contrary we will assume you have accepted this practice.
- We will explain the service we can offer and our relationship with you, including:
 - the type of service we offer;
 - the choice of products and services we can offer you.
- We will explain your duty to give *Insurers* information before cover begins and during the policy, and what may happen if you do not.
- If you want to consider the products or services we have offered, we will;
 - Confirm the period of cover and details of cover including any significant terms or conditions which apply.
 - Where possible, provide our quotation in writing including all the information you need to make an informed decision.

- If a quotation is provided verbally, we will still provide you with all the information you need to make an informed decision.
- Provide full information regarding the premium payable including any Taxes and/or fees.
- Provide supporting information and policy documentation in accordance with the FCA rules.
- Under the FCA regulations, customers who are acting outside of their business activities are defined as 'Retail' clients. Insurers are required to provide a cancellation period of at least 14 days from conclusion of the contract or the date you received the contractual terms and conditions, should you wish to cancel cover insurers are entitled to charge a time on risk charge or administration charge.
- When you first become a Customer, we will give you detail of how you can make a claim and tell you what your responsibilities are in relation to making claims.
- Where you pay premium to us, and where we have received this money as agent of the insurer / underwriter we hold such monies in an approved bank account.

How we hold your money

Premium(s) and any other monies we may hold on your behalf (for example refund premiums and claims cheques received from an insurer) will be held in Trust until such time as they are remitted to us by your insurance company/to you. This account will be a Statutory Trust account operated in accordance with FCA regulations. Some of the insurance companies we deal with have agreed to deem any premiums that you pay to us as having been received directly by themselves. This improves your protection against financial loss in the event of our insolvency. Please note that this is not the case for all the insurance companies we deal with and where this added protection does apply it may only extend to premiums, and not to any claim payment, refund or other monies that we may from time to time hold on your behalf. Should such an arrangement be agreed with an insurer(s) we may not hold your funds in Trust because of this added protection. Occasionally we may pass your premium to another insurance intermediary who will also be required to hold your money in Trust until the premium has been received by the relevant insurer. Between receiving any money from you and us passing it on to insurers (and vice versa), we may remove it from the Trust account in which it is held to another account in order to earn interest or other investment income from it. In such an event the account in which it is placed will be set up with the same Trust protection as the account from which it is removed. Similarly, in cases where we wish to close a bank account (and with this the associated Trust), we may transfer your money to another bank account with the same Trust protection. We will retain any interest or income accrued. By accepting these terms you consent to the way we will hold your premium (and/or other insurance related money) in accordance with this paragraph.

Complaints

Should you have any cause for complaint about our services please raise the matter in the first instance with the person who handles your account. Alternatively, you may contact our “Director responsible for Complaints” at 1 Worsley Court, High Street, Worsley, Manchester, M28 3NJ. We will acknowledge your complaint within five days of receipt and will advise you of the person dealing with it. Should you not be happy with the response to your complaint you have the right to take your complaint to the Financial Services Ombudsman Service.

Solvency of insurers

We do not monitor and cannot guarantee the solvency of any insurer with which we place business. This means that you may still be liable for any premium due and may not be able to recover any premium paid, whether paid in full or in part, should an insurer become insolvent.

Financial services compensation scheme (FSCS)

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 90% of the whole claim, without any upper limit. For compulsory classes of insurance, insurance advising and arranging is covered for 100% of the claim, without upper limit. For further information about compensation scheme arrangements is available from the FSCS on 020 7741 4100 or by visiting www.fscs.org.uk.

Limitation / exclusion of liability

Your attention is specifically drawn to this clause which limits or excludes or liability to you.

Our liability for losses suffered by you as a direct consequence of any negligent performance of our services shall be limited in all circumstances to £5,000,000 per claim. In respect of any other claim arising out of our performance or non-performance of the services hereunder our liability shall be limited to the amount of commission and fees which we have received for arranging your insurance cover during the 12 months prior to such claim arising. We shall not be liable to you for any economic loss, loss of profit or loss of business, whether directly or indirectly occurring and which arises out of or in connection with these Terms. Nothing in this paragraph shall exclude or limit our liability for death or personal injury caused by our negligence, or for loss caused by our fraud, wilful misrepresentation or breach of regulatory obligations owed by you. You are welcome to contact us to discuss increasing the limitations of our liability and/or varying the exclusions set out above. Please note however that an additional charge and other terms may apply should we agree to amend this clause.

Servicing and Claims

Unless otherwise agreed we will send you documentation confirming the basis of the cover secured on your behalf, including details of the (re)insurers, with a debit note or premium billing, where applicable, showing separately all the amounts payable. The dates that the money is due together with any penalties for late payment will be clearly stated to you.

We will forward any policy documents, if applicable, and any amendments or endorsements to your policy as soon as reasonably practicable.

Except where we agree with you or, because market practice determines otherwise, we will provide our claims handling services during the policy period for the policies placed by us. Our claims handling services include, upon receiving the required information from you, the notification of the claim or circumstances to insurers; representing you in the resolution of the claim and arranging the collection and/or settlement of the claim in accordance with market practice and your policy terms and conditions. Where claims are to be dealt by you and insurers directly, we will provide advice and support as requested.

Further, our claims handling services will cease where we are satisfied that you have instructed another entity to assume the claims servicing obligations for your (re)insurance.

Where we collect claims payments, these will be remitted to you as quickly as possible. However, we will not remit claims money to you before we have received it from (re)insurers.

Electronic Communications

We may communicate with each other by electronic mail, sometimes attaching further electronic data, we and you accept the inherent risks (including the security risks of interception of or unauthorised access to such communications, the risks of corruption of such communications and the risks of viruses or other harmful devices). Notwithstanding that we and you have reasonable virus checking procedures on our system you will be responsible for virus checking all electronic communications sent to you. You will also be responsible for checking that messages received are complete. In the event of a dispute neither of us will challenge the legal evidential standing of an electronic document and the Champion Insurance Brokers system shall be deemed the definitive record of electronic communications and documentation.

Call Recording

Our calls may be recorded for quality control and training purposes.

Information regarding your insurance policies and your responsibilities

Proposal forms

For certain classes of (re)insurance you may be required to complete a proposal form, questionnaire or similar document. We will provide guidance but we are not able to complete the document for you.

Duty of disclosure – Reasonable Care & Material facts

Consumers: You must take reasonable care not to make a misrepresentation to the insurer. This means that all the answers you give and statements you make as part of your insurance application, including at renewal and when an amendment to your policy is required, should be honest and accurate. If you deliberately or carelessly misinform the insurers, this could mean that part of or all of a claim may not be paid.

Commercial customers: If the insurance is arranged wholly or mainly for purposes related to your trade, business or profession you have a duty to disclose all material facts whether or not the insurer asks for specific information. This duty applies throughout the life of your policy, and when you renew your insurance. Material facts are any facts which may influence the insurer's decision to accept the policy and/or what terms are applied. Failure to disclose a material fact may invalidate your insurance and could mean that your claim will not be paid. A typical material fact might be a CCJ, a previous claim, motoring convictions on a driving licence etc. This is not an exhaustive list so if you are unsure whether some information is material or not, we recommend that you disclose it to us immediately.

General Information

1. Companies Insured

If there are any subsidiaries or associated Companies that you intend to be protected by Insurances arranged by Champion Insurance Brokers please ensure that these are noted on the documentation and advise us of any changes required.

2. Description of Your Business

We cannot over-emphasise the importance of your business being correctly described in the policy documents. You will appreciate that the policy will only provide indemnity for loss, damage or liability arising out of the business described. If the business description appearing in the documentation is inaccurate or your activities have changed, you must let us know immediately otherwise your cover may be prejudiced.

3. Reasonable Precautions

There is a common law duty on all insurance Policyholders to act as if uninsured and to take all prudent and reasonable steps to both prevent injury or damage of the type of covered by the insurance and also, to take all such actions after the event as are sensible to minimise the loss. Failure to act in a reasonable manner may invalidate cover.

Property Insurance

1) Material Damage Sums Insured

It is essential that the sums insured selected by you are correct as if they prove inadequate at the time of a loss the claim will be reduced in proportion to the degree of under-insurance by the condition of Average. (Please see a description of Average below). The sum insured for Buildings should represent the cost of rebuilding the premises in their existing form including allowance for site clearance costs and professional fees. The sum insured for Trade Contents other than Stock should represent the cost of replacement with equivalent new items. If you wish to insure any items on a 'current market value' basis please discuss this with us. We do not act as valuers and it is your responsibility to ensure that the sums insured under your policy are what you consider to be adequate. If you are in doubt we recommend that a professional valuation is obtained.

2) Average Clause and the Implications of Under Insurance

Please be aware your policy may be subject to "Average", whereby claims will be proportionally reduced if the sum insured is less than the full value at risk or where underinsurance is of a significant amount a claim could be rejected entirely. Bearing in mind the attitude of insurance companies towards underinsurance, we would urge you to check the current figures to ensure that they remain adequate. The principle of Average means that if you are insured for less than the full value for that item at the time of loss, then ANY claim payment will be reduced in the proportion that the sum insured bears the full value at risk.

If the underinsurance is significant the insurer could reject the claim entirely. As an example, if a Property is insured for £300,000 but the full value of the Property at the time of loss is £400,000 a claim for loss of, say, £100,000 would result in a payment of £75,000 as follows:

$$\frac{\pounds 100,000}{\pounds 400,000} \times \pounds 300,000 = \pounds 75,000$$

It is therefore important to ensure your sums insured for all items represent the full value at risk at the commencement of the policy period and that protection is in place to allow for inflation during the period of insurance.

For further information about "Average" please contact us.

Business Interruption Insurance

Whilst Property Insurance covers the physical assets of a business (i.e. Building, Machinery, Stock, etc.) Business Interruption (BI) insurance covers the loss of earnings and additional expenses incurred as following a loss. Two items are critical in ensuring BI insurance is arranged correctly – the "Indemnity Period" and the "Sum Insured".

The Indemnity Period

The Indemnity Period selected should represent the maximum time that can reasonably be anticipated for business to be financially affected by an insured loss. Factors that can impact the length of Indemnity Period include:

- Demolition of existing buildings and site clearance;
- Re-design, planning permission, tendering for new premises;
- Re-construction itself;
- Replacement of equipment of and specialist machinery;
- Replacement of Stock
- Restoration of supplier and customer base.

It is important for a 'worst case scenario' to be envisaged when deciding upon an adequate Indemnity Period to ensure that the BI policy will provide cover until the business reaches the operational level that it would have achieved, had it not been for the loss.

The Sum Insured for many businesses, the basis of the Sum Insured will be the annual Gross Profit figure, which for BI purposes represents; "annual turnover plus closing stock and work-in-progress less opening stock and work-in progress plus variable expenses".

Variable expenses are those expenses which would reduce, or disappear entirely, in the event of a stoppage to the business. Once an accurate and current Gross Profit figure has been calculated, it must be adjusted upwards to allow for anticipated growth in the business during the period of insurance itself and the Indemnity Period selected, bearing in mind that it is possible for a 'worst case scenario' loss to occur on the last day of the period of insurance. As an example, if the current annual Gross Profit figure is £100,000 the period of insurance is 12 months, the Indemnity Period selected is 24 months and business growth is estimated at 10% per annum, the correct Gross Profit sum insured is £254,100:

Current Gross Profit = £100,000

Gross Profit during 12 month period of insurance = £100,000 + 10% = £110,000
Gross Profit during 1st year of Indemnity Period = £110,000 + 10% = 121,000
Gross Profit during 2nd year of Indemnity Period = £121,000 + 10% = 133,100
Gross Profit sum insured = £121,000 + 133,100 = £254,100

In the event that the Gross Profit sum insured is not calculated correctly, there is likely to be underinsurance and Average would apply to the settlement of any claim. Other bases of calculating BI sum insured, depending upon the type of business involved, include Gross Rentals, Gross Revenue or Gross Fees.

If the cover is arranged on a Declaration Linked basis this may well offset the need for projection but the selected indemnity period and any exceptional changes to the business will still need to be taken into account.

Whilst we are able to provide guidance on Indemnity Periods and Sums Insured, we do not accept any responsibility for the adequacy of your Indemnity Period and Sums Insured – and in some instances, you may need to consider the assistance of a suitable professional service.

Liability Insurance

1. Liability Indemnity Limits

The indemnity limits stated under your Liability policy should be reviewed as court awards and legal costs continue to increase. For Employers Liability claims the indemnity limit applies to all claims arising from any one incident and is inclusive of defence costs.

2. The Employer's Liability (Compulsory Insurance) Regulation 1998

With effect from 1 January 1995 all United Kingdom Employers Liability cover provided a standard limit of indemnity of £10,000,000 (other than for Terrorism and Offshore risks) and therefore the limit is sufficient to meet the terms of the Regulations. As a result of the Employers Liability (Compulsory Insurance) (Amendment) Regulation 2008 there is no longer a legal requirement for Employers to retain copies of expired Employers Liability Certificates for 40 years. However, we would strongly recommend that you either continue to retain expired Certificates or maintain a detailed record of your Employers Liability Insurance Policies. Should you fail to keep this, you place your business at a risk of having to meet the costs of such claims as you may be unable to prove who the insurer was at particular period. Your Certificate of Employers Liability must be displayed in a visibly prominent place by Law, however, with effect from October 2008, you may display your Certificate in an electronic format providing that all Employees have immediate access to the document at all times.

Motor Insurance

1. The Motor Insurance Database (MID)

The Motor Insurance Database (MID) was established by the Government in 2003 as part of the Motor Vehicles (Compulsory Insurance) Regulations. The legislation places a direct obligation on the Motor Fleet or Motor Trade policyholder to update the Database with accurate details of all road-registered vehicles held for a period of more than 7 days, including temporary vehicles. Failure to supply or maintain data on the MID may result in prosecution and a fine up to £5,000. In addition, increasing use of ANPR (automated number plate recognition) technology by the Police has resulted in over 100,000 vehicles being seized each year and over 40,000 crushed (Motor Insurers' Bureau). If your vehicle is not on the Database when the enquiry is made (even if you have a valid 'open' Certificate of Motor Insurance), the police will assume it is not insured! If your vehicle is impounded, in addition to the inconvenience, you will have to pay the cost of recovery and storage.

Warranties

Warranties are important provisions contained in your policy and must be exactly complied with at all times. Breach of warranty will cause (re)insurers to be automatically off risk from the date of that breach, and in some instances may mean that (re)insurers do not come on risk at all. This is the position regardless of whether there is any connection between the warranty breached and any loss which leads to that breach becoming evident. A warranty may exist in the policy using other terminology and without reference to the word “warranty”. You may be deemed to have warranted the accuracy of information provided in a proposal form (for example by virtue of a “basis of the contract clause”) such that any inaccuracy will constitute a breach of warranty.

Conditions Precedent

Please take particular note of any conditions precedent that appear in the policy. If a condition precedent to the validity of a policy or 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 a policy is not complied with, the insurer will not be liable for the loss in question. A condition precedent may exist in a policy using other terminology and without reference to the words 'conditions precedent'.

Subjectivities

If the cover provided is granted by (re)insurers subject to certain requirements, failure to comply may result in cover not being in place. Please contact us immediately if you are unsure as to the meaning of a subjectivity, or are unable to comply.

Your policy

You are responsible for reviewing the evidence of (re)insurance cover to confirm that it accurately reflects the cover, conditions, limits and other terms that you require. Particular attention should be paid to any policy conditions and warranties, as failure to comply may invalidate your coverage, and the claims notification provisions. If there are any discrepancies you should consult us immediately.

How to claim

Please refer to your policy summary or your policy document if you need to notify a claim. You should contact the insurer direct as soon as possible using the contact details provided. If in doubt, please contact us on 03330 430 430 or claims@champion-insurance.co.uk.

You are responsible for notifying claims or potential circumstances that may give rise to a claim. To ensure full protection under your policy or similar documentation provided you should familiarise yourself with coverage conditions or other procedures immediately relating to claims and to the notification of those claims. Failure to adhere to the notification requirements particularly the timing of notification, as set out in the policy document, may entitle (re)insurers to deny your claim. In presenting a claim it is your responsibility to disclose all facts which are material to the claim. If you are in any doubt as to your obligations please contact us immediately.

Claims may be made against a policy long after its expiry date. It is important therefore, that you keep your policy documents in a secure place.

Change in circumstances

You will advise us as soon as reasonably practicable of any changes in your circumstances that may affect the services to be provided by us or the cover provided under your (re)insurance policy

Protecting your information

All personal information about you will be treated as private and confidential (even when you are no longer a customer), except where the disclosure is made at your request or with your consent in relation to administering your insurance or where we are required by law.

Some or all of the information you supply to us in connection with your insurance proposal may be passed to insurance and other companies for underwriting, claims and premium collection purposes. Your data will be held in accordance with the Data Protection Act 1998, under which you have a right of access to see personal information about you that is held in our records, whether electronically or manually. If you have any queries, please write to Data Manager at Champion Insurance Brokers, 1 Worsley Court, High Street, Worsley, Manchester, M28 3NJ

We and/or the insurers and/or credit providers may use publicly available data from a variety of sources, including credit reference agencies and other external organisations to verify your identity or credit worthiness, to avoid fraud, and to obtain beneficial quotes and payment options on your behalf. Each of the searches may appear on your credit report whether or not your application proceeds.

By agreeing to these terms and conditions you agree to these uses of your information.

Provision of information

All activities undertaken by us as outlined in this document are provided by us for your exclusive use and all data, recommendations, proposals, reports and other information provided by us in connection with our services are for your sole use. You agree not to permit access by any third party to this information without our express written permission. We reserve our right to take action to protect proprietary information.

Payment of premium

You will provide settlement with cleared funds of all monies due in accordance with the payment date(s) specified in our debit note or other documentation ("Payment Date"). Failure to meet the Payment Date may lead to (re)insurers cancelling your policy. We are under no obligation to pay premium by the Payment Date to (re)insurers on your behalf.

Our Remuneration

Our remuneration will be either be a fee as agreed with you (fee in lieu of commission) or brokerage which is a percentage of the (re)insurance premium paid by you and allowed to us by the (re)insurer with whom the (re)insurance contract is placed.

In addition to we will charge an administration fee as set out below:

- Customers purchasing insurance in connection with their trade, business or profession (known as "Commercial Customers") will be charged up to £100 per policy for starting cover, renewing cover or making alterations (including cancellation of a policy). The exact amount will be confirmed to you in writing prior to you becoming liable to pay it, or verbally (with written confirmation to follow) if this is not possible.
- Customers NOT purchasing insurance in connection with their trade, business or profession (known as "consumers") will be charged £50 for starting a new policy, renewing or making changes to an existing policy (including cancellation of a policy).
- All payments made by credit card will be charged at the rate of 3% of the value of the transaction, subject to a minimum charge of £5.

Occasionally due to the nature and complexity of the work we undertake, we may wish to charge a higher administration fee – any fee of this nature will be fully explained, agreed and notified to you prior to you becoming liable to pay it. All fees are inclusive of any applicable tax that may be levied from time to time. **Note – our fees are non refundable even if you cancel your policy**

Brokerage and fees are earned for the policy period. We will be entitled to retain all fees and brokerage in respect of the full policy period in relation to policies placed by us whether the policy runs for the full period or is cancelled mid-term.

Other Revenue

We provide services to (re)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 revenue based upon the volume or profitability of (re)insurance business placed with a given (re)insurer over a specific period. These payments recognise the services we provide to the (re)insurer over that given period.

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

In certain circumstances we may recommend to you an additional general insurance activity related service, e.g. a hire car company. Any introductory payments we receive from them will be disclosed to you on request.

Monies held in our client premium bank accounts may attract interest, we do not expect this to exceed £20 per transaction in relation to 'Retail' clients.

We may also receive remuneration from Premium Finance companies in recognition of the administrative work involved in setting up such agreements. Any payments we receive from them, in respect of premium finance that we arrange for you, will be disclosed to you on request.

Confidentiality

We will treat any information in our possession that relates to your business as confidential. It will be necessary, however, for us to disclose information that you consider confidential to (re)insurers or other parties, when acting on your behalf, where we reasonably consider such information to be material to the risks being covered. Likewise, we may disclose to third parties certain industry wide statistics or other information which may include information relating to you. Any sensitive information will be handled appropriately and information specific to you will not be identified without your consent.

Termination

Our services may be terminated either by us or you upon the giving of one month's notice in writing to the other or as otherwise agreed.

In the event our services are terminated by you we will be entitled to receive any and all fees or brokerage payable (whether or not the same have been received by us) in relation to policies placed by us.

Third Party Rights

Unless otherwise agreed between us in writing no term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999, except by members of the Champion Group of companies.

Governing Law

This Agreement, which sets out the terms of our relationship with you, will be governed by and construed in accordance with English Law and any dispute arising under it shall be subject to the exclusive jurisdiction of the English courts.

Please do consult us if you are in any doubt on any aspect of your insurance cover or the terms on which cover has been arranged.



Champion Insurance Brokers Ltd, 1 Worsley Court, High Street, Worsley, Manchester, M28 3NJ

Telephone: 03330 430 430

e-mail: info@champion-insurance.co.uk

website: www.champion-insurance.co.uk

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Registered in England No. 07180321

“Treating you Fairly”

Treating our customers fairly is the number one priority of our business. It is at the heart of everything we do, and want to achieve.

This means;

- **We want you to be confident that you are dealing with a business that will treat you fairly** – that we will put your interests first, provide you with a fair deal and give a professional service of the standard you would expect from competent staff.
- **You can be confident that the products we sell to you will be products that are designed to meet your needs** and that at all times before, during and after a sale we will communicate with you in a way that is clear, fair and not misleading.
- **We will provide you with enough clear information about the products we recommend so that you can make a properly informed choice – before you buy.** We won't try to sell you insurance by “hiding” it, or sell you a policy that is in our interests to sell, not yours to buy. And if you decide after you've had all the information that you don't want to accept our advice then you are free to say “No” as well as “Yes”.
- **When we sell you an insurance policy, we will tell you what we are recommending and why, so you understand how we have reached our recommendation.** We will only recommend policies to you that are suitable for you, and that you could claim under if the circumstances arise.
- **The products we sell you will protect you in the way we said they would** – and that any exceptions to cover or special features will be clearly explained.
- **And if it does go wrong, or you feel that for any reason, you have not been treated fairly, we will ensure that any complaint you may make is dealt with fairly, impartially and promptly.** If for any reason you do not feel we have treated you fairly in keeping with this statement, or if you have any concerns about the way we have treated you, then please contact me.

Dan Maloney
Managing Director
Champion Insurance Brokers