

TERMS OF BUSINESS – V5.010423

STATUS

The Mason Owen insurance group comprises the following -

- Mason Owen Financial Services Ltd (Reg No 02217933) (MOFS).
- Mason Owen Financial Services (Wirral) Ltd (Reg No 01916098) (MOFSW). MOFSW is a subsidiary of MOFS.

Business Insurance Services and/or BIS are Trading Styles of both MOFS and MOFSW.

MOFS is the main trading company in relation to Insurance matters. Any reference to MOFS shall include MOFSW unless referred to separately.

REGISTERED OFFICE AND TRADING ADDRESS:

7th Floor, 20 Chapel Street, Liverpool, L3 9AG

FCA REGISTER:

MOFS Registration No 309238
MOFSW Registration No 300387

MEMBER:

British Insurance Brokers Association Membership No: 004715

DATA PROTECTION ACT:

MOFS Registration No Z6991315
MOFSW Registration No Z7152133

MOFS aims to provide carefully structured general insurance programmes to your specific needs.

MOFS is an Independent Intermediary in that we are not owned in whole or in part by any of the Insurers with whom we place Insurance. On occasions we may act as the agent of an Insurer, but this will always be disclosed to you. MOFS accepts responsibility for its advice to you and for arranging your insurance. We offer products from a number of insurers and on occasions we use the services of other intermediaries. Our advice to you will always include disclosure both of the identity of insurers and any other intermediaries in a chain where we do not deal directly with the Insurer.

We are authorised and regulated by the Financial Conduct Authority (FCA) under part IV of the Financial Services and Markets Act 2000 (FSMA) to transact and administer non-investment general insurance business. We are also authorised by the FCA for Credit Broking activities. A copy of our Scope of Permissions Notice is available upon request. You contact the FCA via a link directly at www.fca.org.uk or by telephoning 0845 6055525.

In relation to any "Regulated Activity" as defined in FSMA, MOFS will only deal with third parties who are authorised and regulated to carry on such activities and will not knowingly deal with any unauthorised third party. MOFS will take all reasonable steps to check that any client or other third party that requires authorisation under the FSMA to carry on their business is authorised and regulated to do so by the FCA. MOFS does not accept any liability for the failure of any other party with whom MOFS has a trading relationship to possess the necessary authorisation by the FCA or any consequences arising out of the failure of the third party to comply with FSMA or the rules laid down by the FCA.

MOFS is a member of the British Insurance Brokers Association (BIBA). BIBA ensures that the professional standards of the insurance industry are maintained throughout its membership; ensuring standards of both the market in general and those of BIBA members are continually enhanced. Further information regarding BIBA can be found at www.biba.org.uk. MOFS has also achieved Chartered status with the Chartered Insurance Institute.

MOFS is covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we fail to meet our obligations. Compensation depends on the type of business and the circumstances of the claim. Further information about the scheme is available from the Financial Services Compensation Scheme or by visiting www.fscs.org.uk

PRODUCTS & SERVICES

We offer a full range of personal and commercial general insurance products and services. In respect of certain products and services we have selected a specific product or service from one supplier to provide a cost-effective solution to meet the needs of our clients. We will give you full details of the individual products, the capacity in which we act and the services we will provide before you make a commitment to purchase any product that we offer to you.

Our service includes advising you on your insurance needs, arranging insurance cover with insurers or other intermediaries to meet your requirements and assisting you with any ongoing changes that you may have to make. As part of our service we will assist you with any claim that you need to make.

We monitor the financial strength ratings of Insurers with industry accepted ratings agencies. We are happy to provide financial information regarding your Insurers if you specifically request this from us. However, we cannot guarantee the solvency of your Insurer.

DISCLOSURE OF INFORMATION TO INSURERS – CONSUMERS

If you purchase an insurance policy wholly or mainly for purposes unrelated to your trade, business or profession, your obligations to disclose information to the insurer are subject to the Consumer Insurance (Disclosure and Representations) Act 2012.

Under this Act you have a duty to take **reasonable care not to make a misrepresentation to the insurer**. In the event of any breach of this duty, the insurer has legal remedies, which could, in a worst case scenario allow them to avoid the policy and thus their obligation to make payment of any claims.

DISCLOSURE OF INFORMATION TO INSURERS – NON CONSUMERS

If you purchase an insurance policy wholly or mainly for purposes relating to your trade, business or profession, your attention is drawn to the importance of informing your Insurer of all relevant information.

The policy will be subject to the Insurance Act 2015, which requires all Insured parties to make a “Fair Presentation of the Risk” when seeking insurance. You **MUST** disclose every material circumstance which you know or ought to know following a reasonable search of the information available to you in relation to the risks being insured against along with the information relating to the business and the people who control the business. Any failure to disclose facts material to the insurance or any inaccuracies in information you provide could invalidate your policy cover. This could mean that part or all of any claim you make may not be paid. Where a proposal form is not used, you are still obliged to disclose all material facts to your Insurers.

DUTY TO DISCLOSE ALL MID TERM CHANGES TO THE RISK – CONSUMERS AND NON CONSUMERS

You have a continuing obligation to disclose facts relevant to the insurance throughout the period of cover and at the renewal of the policy.

If you are in doubt about whether or not to advise your Insurer of any change in your circumstances that may be relevant to policy cover, you should discuss the issue with us at the earliest opportunity

POLICY TERMS, CONDITIONS AND CLAIMS

All insurance policies contain conditions and exclusions. Some conditions, if breached, may allow the Insurer to avoid the policy. We cannot stress too highly the importance of being familiar with the obligations imposed upon you by the terms of your policy and the limitations of the cover provided.

If you become aware of any circumstances which could lead to a claim being made either by you or against you, you must notify us immediately. Failure to do so could prejudice your position. You should always consult MOFS if you are in any doubt about any aspect of your insurance arrangements.

PAYMENT OF PREMIUMS

We normally accept payment by guaranteed cheque, bank transfer, cash or credit card. You may be able to spread your payments through direct debit instalment schemes offered by your insurer or alternatively via premium finance schemes that we have arranged with third party premium finance providers. We will give you full information about your payment options when we discuss your insurance in detail.

In regard to premium finance, the lender is required to assess the affordability to you, and this may involve credit scoring, credit checks, Anti-Money Laundering assessments or other financial due diligence before any loan is agreed.

We will act as your agent when arranging any premium finance agreement on your behalf, but any agreement will be between you and the finance company and MOFS is not a party to any such agreement. The loan agreement is separate to your insurance policy(ies) and you remain liable for all repayments and charges under the loan agreement at all times.

Missing payments may affect your credit rating and your insurance policy may be cancelled. In the event of a default under the agreement you may be required by the premium finance provider to cancel your policy and return any premium refund to them to pay the outstanding loan. In such circumstances, any cancellation instruction we pass to the insurance company will be as your agent and not the agent of the premium finance provider.

CHARGES

MOFS is paid for its services by the Insurer in the form of commission based on premiums. Prior to the conclusion of each insurance contract, and at renewal, we will remind you of your right to request details of the level of commission which we receive from your insurer. You may at any time request that MOFS disclose the amount of commission that is earned for the arrangement of your insurance and we will provide this information for you. In addition to the overall premium charged by your Insurer MOFS may, at our discretion, make charges in lieu of commission or additional charges to cover administration costs, these charges are referred to as fees. Any fees charged will be disclosed and agreed with you in advance of making the charge and will be shown separately on your invoice.

In certain circumstances, Insurers will make charges for the replacement of lost documents, therefore you should ensure that documents such as Motor Insurance Certificates or policy documents are kept in a safe place once they have been issued to you.

Commission and fees are earned for the policy period on placement and MOFS will be entitled to retain all commission and fees in respect of the full policy period in relation to policies placed by MOFS.

In respect of business placed with certain insurers, MOFS is also remunerated by the Insurer under either a growth or profit share agreement. The calculation of a growth or profit share remuneration is based on either the growth or a combination of the growth and profitability of part of our portfolio of business with the Insurer concerned. The agreement, if triggered, may result in the payment of additional commission to MOFS. We will provide further details of these agreements to you if we are requested to do so.

MOFS may receive income from any third party premium finance provider in relation to any premium finance agreement.

When recommending an Insurer to you, we will always place your interests first and will always observe our fiduciary duty to you to recommend the most appropriate policy irrespective of any growth or profit share agreements we have in place.

HANDLING OF CLIENT MONEY

All money paid to MOFS that is defined in the FCA rule book as Client Money is held in separate client account(s) with our nominated Bankers. Client Money received by us will be held under the terms of either a statutory trust, a non-statutory trust or an Insurer bank account. A copy of the trust documents are available upon request. All money is held in accordance with FCA requirements.

Client Money held in the non-statutory trust means that it is protected, but allows us to settle accounts with Insurers and clients from funds contained in the designated bank account(s) irrespective of whether the funds have been received from the particular client or Insurer to which the account relates. All money received that is defined as Client Money may be used for Insurer account settlement or client account settlement in accordance with the terms of the trust document. Under the terms of the non-statutory trust, we can hold designated investments to the value of the Client Money which we would otherwise have to hold in separate client account(s), instead of holding Client Money in separate client account(s). If we do so, we have to keep them separate from other investments and they will be held by us as trustee under the terms of the trust.

We will be entitled to keep all interest accruing to the client account(s) we hold with our nominated Bankers (or returns on investments if we segregate designated investments rather than keeping the Client Money in separate client account(s) at our Bank).

Minimum capital solvency levels are laid down by FCA and in order to manage Client Money in this manner MOFS will ensure that such solvency requirements are met at all times and wherever possible exceeded.

By accepting these terms of business you are expressly agreeing to allow MOFS to handle Client Money as defined by FCA in this manner. In the event that you are unwilling to accept the terms as presented you should inform MOFS immediately as MOFS may no longer be able to deal with your instructions appropriately and this may result in the withdrawal of our services to you. You will be given reasonable notice of such action and you will also be given advice on how you can transfer your instruction to another intermediary of your choice.

CANCELLATION OF YOUR INSURANCE

In certain circumstances you may have the right to cancel an insurance policy; within a period of up to 14 days from conclusion of the insurance policy. You will not always receive a full refund of any paid premium. This right to cancel is subject to conditions that are contained in the policy document. If your right to cancel the policy is exercised you may lose all rights under the policy of insurance and cover maybe forfeited from the date of inception of the policy and you may not be able to make a claim under the policy.

COMPLAINTS

If you have cause to be unhappy in any way with your insurance cover or the way that MOFS has dealt with your instruction, you should in the first instance contact any member of Senior Management or email us at mail@mofs.co.uk.

We take all complaints seriously and will endeavour to respond to any complaint immediately. Where this is not possible, we will acknowledge your complaint as soon as reasonably possible and will give you the name of the person dealing with your complaint. If we believe that the complaint does not relate to the activities of MOFS, we will inform you in writing and wherever possible provide details of whom the complaint should be directed against.

If the complaint can be resolved to your satisfaction within three business days we will confirm this to you by sending a "summary resolution communication" which is based on a template provided by the FCA. If you subsequently change your mind, you will have the right to report the complaint to the Financial Ombudsman Service.

If we are unable to resolve your complaint within three business days, we must provide you with a final response within forty business days from the original date of receipt. If we are not in a position to issue a final response, we will write to you explain why this is not possible.

Upon receipt of either the final response or letter indicating why a final response is not possible, you may refer the complaint to the Financial Ombudsman Service. Details of FOS can be found by using the link at our web site www.mofs.co.uk or by visiting www.financialombudsman.org.uk

CONFIDENTIALITY AND NON DISCLOSURE

The use of data for the purposes of arranging your insurance will comply with the latest data security laws. Specific details of how your personal data will be used will be set out and issued to you in our separate Privacy Notice. In regard to any Confidential Information, please note the following -

- 1) We undertake that any Confidential Information provided to us for the purpose of obtaining quotations for and/or the arrangement of insurance policies shall be used solely for such purposes.
- 2) We undertake to keep the Confidential Information secure and not to disclose it to any party except to our employees and/or professional advisers who need to know the same for the purpose, and to any Insurer Managing General Agent Underwriter or any other party that has a legitimate need in relation to the purpose.
- 3) The undertakings in lines 1 and 2 above shall apply to all of the Confidential Information disclosed by you but they do not apply to:
 - a. any information which is in, or in future comes into, the public domain (unless as a result of the breach of this Agreement); or
 - b. any information which is already known to us and which was not subject to any obligation of confidence before it was disclosed to us.
- 4) Nothing in this Agreement will prevent the us from making any disclosure of the Confidential Information required by law or by any competent authority or Regulatory body.
- 5) We will upon request from you return all copies and records of the Confidential Information disclosed by you and will not retain any copies or records of the Confidential Information disclosed by you. However, we may retain Confidential Information in order to comply with our own legal contractual or regulatory requirements.
- 6) This Section of the agreement is governed by and is to be construed in accordance with English law. The English Courts will have non-exclusive jurisdiction to deal with any dispute which has arisen or may arise out of or in connection with this Agreement.

LIMITATION OF LIABILITY

1. This section forms part of our Terms of Business. We accept instructions to act on your behalf strictly subject to the following limitation upon our liability.

2. Our liability to you for any act or omission (including, but not limited to, our negligence and/or the negligence of any other parties in respect of which we are legally liable to you), whether such liability be in damages, equitable compensation or otherwise, shall not exceed the sum of £5,000,000 or its equivalent from time to time in Euros or any other relevant or appropriate currency in respect of any one transaction or series of related transactions.

This figure has been carefully chosen in order to enable us to offer reasonable redress to our clients in the event of a claim, whilst enabling us to retain competitive levels of fees and commissions and make appropriate arrangements to ensure that any proper claim is met.

This section does not apply to awards made by the Financial Ombudsman Service in the exercise of his compulsory jurisdiction.

3. *In section 2 above:*

- i. "negligence" means a breach of any obligation upon us to take reasonable care, whether that obligation is imposed by virtue or a term (express or implied) of any relevant contract, or by the law of negligence or otherwise;*
- ii. "transaction" means any professional service provided by us to you, including (but not limited to) the arranging of insurance, advising on insurance cover and/or on particular wordings, notification of claims to insurers, and claims handling generally;*

iii. "a series of related transactions" has its ordinary meaning (save that "transaction" has the meaning given at (ii) above), but includes (without limitation), (a) transactions concerning, connected with or arising out of the same policy of insurance or reinsurance arrangement, or (b) where different policies or arrangements insure or reinsure (as the case may be) all or some of the same risks, transactions concerning, connected with or arising out of some or all of those policies or arrangements.

4. We are always prepared to discuss increasing the limit of our liability specified in this section in relation to any individual engagement, if particular reasons exist, but we reserve the right to decline to increase the limit or (in the event that we agree to increase it) to make an additional charge or to impose alternative or additional conditions. No agreement to increase the limit shall be valid unless made in writing and signed by a director of Mason Owen Financial Services.

5. Under these Terms of Business, you agree not to make any claim against any employee, director, consultant or other individual connected with MOFS. See paragraph 6 below. However, it is also understood and agreed that if for any reason the provisions of paragraph 6 hereof are held to be invalid or unenforceable in whole or in part, any claim made by you against any employee, director, partner, consultant or other individual connected with us is also subject to the limit of liability of £5,000,000 contained in this clause, and you understand and agree that any such individual may avail himself of this limitation.

6. *You agree:*

i. That your remedies in relation to the provision of professional services by us, arising out of or in connection with this engagement, lie exclusively against us and not against any employee, director, consultant or partner as individuals;

ii. That you will not make any claim and/or bring any legal proceedings against any employee, director, partner, consultant or other individual, in respect of any act or omission by any such person or persons (whether negligent or not).

7. You understand and agree that the provisions of this clause may be enforced by an employee, director, partner, consultant or other individual connected with us in accordance with the Contracts (Rights of Third Parties) Act 1999.

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