

GENERAL INSURANCE TERMS OF BUSINESS

& INITIAL DISCLOSURE DOCUMENT

COMMERCIAL CUSTOMERS

The Financial Services Authority is the independent watchdog that regulates financial services. From the 14th January 2005 this also includes General Insurance Mediation. It requires us to give you this document. Please use this information to decide if our services are right for you.

Smith Robinson Ltd, Cadman Court, Chartists Way, Morley LS27 0RX, is authorised and regulated by the Financial Services Authority. Our FSA Register number is 308395.

Our permitted business is arranging general insurance contracts.

You can check this on the FSA's Register by visiting the FSA's website www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234.

In order to ensure that we can provide you with appropriate insurance advice, insurance broking services and provide the appropriate insurance policy and cover and maintain an on going service to the standard you would wish to enjoy we do require certain undertakings from you. These undertakings are detailed below and should be regarded, along with our own undertakings, as our terms of business. Breach of these may mean that we are unable to confirm that insurance contracts we have arranged fully address your requirements or provide full protection. This may mean that we cannot obtain settlement of a claim or that we are unable to act for you at all.

Customers undertakings: -

Payment of Premiums - Please note that insurers have very strict payment terms which means that we have to ask you to settle our invoices within 15 days of our invoice date. If we do not meet the insurers' payment terms they are likely to cancel cover or refuse to deal with any claims. With some underwriters premium payment warranties attach to the policy cover and non payment of the premium within the stated period will invalidate the insurance cover from the inception or renewal date.

Disclosure - One of the fundamental principles of insurance is Utmost Good Faith. This means that insurers rely heavily on their policyholders to advise them of any factor which might affect their appraisal of the risk you present to them. For this reason we must be advised before we arrange cover and notified immediately thereafter of, amongst other things, any changes to your business activities, the materials and equipment you use, changes to your premises and any other information regarding a change to your circumstances which ought to be notified to the insurer. In many instances you will have conducted a feasibility study before implementing such changes and it would be prudent to involve us at that stage so that we can appraise you of the insurance implications that might arise. It is your responsibility to ensure that any information given on proposal forms, claim forms or any other material documents are correct.

This duty of Disclosure is a continuing duty and failure to comply could result in your insurers cancelling your cover or refusing to deal with a claim.

Claims - We must be notified immediately of any incident, which is likely to give rise to a claim under one of your policies. This is of particular importance with regard to Motor, Employers' and Public Liability claims where personal injury is involved. This is because of the changes in court procedures and deadlines brought about following the Woolf Report.

Return of Documents/Information - Unfortunately we do not yet operate in a paper-free environment and whilst we endeavour to keep administration to a minimum, on occasion we have to ask you for certain documents or additional information. We do need you to respond to these requests promptly for two reasons. Firstly, insurers may not continue cover if information is long outstanding. Secondly, it reduces our efficiency if we have to use our resources sending reminders and chasing up outstanding documents. We are here to deal with protecting your assets and liabilities and getting your claims settled promptly so please help us to do this by reacting promptly to our requests.

Smith Robinson's undertakings: -

Our Services - We will advise and make a recommendation for you after we have assessed your needs. Our advice and selection of insurer will be on the basis of a Fair Analysis of the Insurance Market. We will take care to place your insurance business with financially secure organisations but we are unable to guarantee the solvency of them.

Conflict of Interest - We will seek to avoid conflicts of interest and will not put our own interests above our duty to you our Commercial Customer.

Confidentiality & Security - We will not disclose confidential information obtained from you except in the normal course of supplying you with our insurance broking services or as required by law or to satisfy compliance with our industry regulator. We will take all steps to keep secure any money (please see the last paragraph of this document "How we handle your payments") or documents handled on your behalf.

Our Remuneration – As agents we are usually remunerated by way of commission paid by the insurer with whom your business is placed. We reserve the right to charge a fee (where commission levels are uneconomic) or charge a fee in place of commission. In those circumstances we will negotiate the level of fee with you. Where inception or renewal premiums have been quoted but you decide to place the business with our recommended Insurer but via another broker we will charge 50% of the commission that would have been earned had the business been placed via Smith Robinson Ltd. In respect of return premiums of a £1,000 or more we reserve the right to return the premium net of commission or charge you a fee to cover our administration costs.

Charges – Compliance with the new regulatory regime, including annual fees for FSA/FOS and FSCS, all imposed by the FSA has significantly increased our costs of administering your insurance policies. As a result we regret that we will need to make a flat annual policy charge of £25 to help us meet these costs.

Claims – On receipt of a claim notification we will give you assistance with the presentation of the claim to your insurers. In the majority of instances we will deal with the insurer on your behalf. In a minority of cases the insurer may require you to report the claim direct to them on a dedicated claims telephone line. This is intended to speed up claims settlements. If you experience difficulties with this process you should notify us immediately so that we can intercede on your behalf. If your insurer appoints a Loss Adjuster we will normally be in attendance to assist you during their visit.

Complaints – If you have reason to complain about our service this should be made in writing to Paul Robinson, Complaints Officer and director of Smith Robinson Ltd, Cadman Court, Chartists Way, Morley, LS27 0RX or by telephone – 0113 252 3222.

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

We are covered by the Financial Services Compensation Scheme. 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 100% for the first £2,000 and 90% of the balance without any upper limit

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

How we handle your payments - When you pay your premium to us, whether directly from your own funds or via a funding agent such as Premium Credit Ltd, it is treated in one of two ways depending on our terms of business with the insurance organisation we have placed your business with.

If the insurance undertaking accepts Risk Transfer then the premium you have paid to us is deemed to be insurer money and is banked in our Insurer Account. This means that if our firm fails financially the insurer suffers the bad debt and not you.

If the insurance undertaking does not accept Risk Transfer then we hold the premium on your behalf in a non-statutory trust bank account known as the Insurance Broking account. If our firm fails financially before we have paid the premium to the insurer then any bad debt would be your responsibility. Due to the nature of the non-statutory trust and exchange of letters between us and our bankers, no other creditors have any lien whatsoever on the Insurance Broking account.

We shall advise you with our quotation whether the insurance undertaking we are putting forward does or does not accept Risk Transfer.