

# KPTI Limited t/a IS Insurance Solutions

## Terms of Business - General Insurance

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This document sets out the terms upon which we agree to act for our clients and contains details of our regulatory and statutory responsibilities. It also sets out some of your responsibilities

This agreement is issued by KPTI Limited t/a IS Insurance Solutions of 235-241 Kingsbury Road, Kingsbury, London NW9 8UG. Telephone 020 8205 3000. E.mail – info@isgroupuk.com.

In this document, the words 'We', 'Us' and 'Our' refer to KPTI Limited t/a IS Insurance Solutions and its directors, officers and staff. Reference made in this document as KPTI Limited relates to KPTI Limited t/a IS Insurance Solutions.

For your benefit and protection, you should read this document carefully. It sets out the terms on which we agree to do business with you and contains details of our regulatory and legal responsibilities. Please contact us immediately if contains anything you do not understand.

We intend to rely on these Terms of Business as the basis of our dealings with you. Your continued instructions to us will constitute your acceptance of these Terms of Business.

### 1. Authorisation Statement

KPTI Limited is authorised and regulated by the Financial Conduct Authority (formerly the Financial Services Authority). Our Financial Services Register number is 310450.

The Financial Conduct Authority regulates the financial services industry in the UK. Their address is - 25 The North Colonnade, Canary Wharf, London, E14 5HS.

You can check the FCA Register by visiting the FCA website - [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register) or by contacting the FCA on 0845 606 1234.

### 2. Permitted Business

Our permitted business is arranging general (non-investment short-term) insurance contracts, and arranging credit facilities only for insurance premium payment by instalments.

### 3. Our Services and Relationships

We are an independent insurance intermediary. We are subject to the law of agency, which imposes various duties on us. We can act both as agent of insurer, and on behalf of you, the customer. We have in place management controls to deal with any conflicts of interest that might arise. Unless we advise you otherwise, we are acting on your behalf.

We also act on behalf of insurers when collecting premiums under Risk Transfer (See " Client Money" section.)

However, in certain circumstances we may act for and owe duties of care to other parties. We will advise you when these circumstances occur so you will be aware of any possible conflict of interest, and will on request provide a copy of our Conflict of Interest Policy.

We have trading relationships with various parties who introduce business to us. Introducers are neither regulated by the FCA nor authorised to give advice on our behalf.

We usually base our recommendation from a fair analysis of the market but for specific risks this maybe from a limited number of Insurers or even a single Insurer. We will confirm to you the basis upon which our recommendation is made as part of our sales process.

In all cases our service will include arranging and administering your insurance, including helping you with on-going changes.

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

We will assess your demands and needs and will then advise and make a suitable recommendation. This will identify the necessary cover, suggest a suitable policy (if appropriate) and show the cost of providing it.

On receipt of your instructions, we will –

- o Place insurance with your chosen insurers.
- o Keep you informed of the progress of our negotiations.
- o Advise you promptly if we are unable to place your insurance as instructed, and suggest an alternative/s.
- o Explain the main features of your insurance contracts.
- o Assist you in the administration of your insurance contracts or as otherwise separately agreed in writing.
- o Advise on and arrange renewal / review of your insurance contracts.

#### **4. Security**

Insurers are subject to regulation and are required to hold adequate capital resources. Nevertheless, we do not guarantee the solvency of any insurer with which we place business.

We cannot guarantee the future ability of an insurer to meet its obligations. The decision to accept the security of the insurer offered therefore rests with you.

An insolvent insurer may be unable to pay all or part of any claim and you may have to pay a further premium for alternative insurance cover. (In such circumstances, you may be able to claim all or part of your loss from the Financial Services Compensation Scheme – explained more fully in Section 13).

#### **5. Policy Documentation and Confirmation of Cover**

We will provide a cover note or written confirmation of cover. It will identify the insurer, show the terms of the policy, and will be sufficient to meet any statutory requirements.

Relevant policy documentation will be issued as soon as reasonably possible after receipt from the insurers.

You agree to read and review the information promptly on receipt and to advise us immediately if

- o It doesn't meet your requirements.
- o It doesn't reflect your instructions.
- o The policy wording excludes the type of cover you require.
- o You do not understand the terms.
- o You cannot comply fully with the insurer's requirements.

A breach of any policy term may entitle the insurer to terminate the policy from the date of the breach or to repudiate a claim.

We will retain original documents or copies for business effected on your behalf, for not less than three years.

You must retain certificates of Employers Liability Insurance from 31/12/1998, for forty years after the expiry date. (If you still have them, you should retain earlier records of Employers Liability Insurance.

#### **6. Providing Accurate and Complete Information**

##### **DUTY OF DISCLOSURE TO INSURERS (Effective 12<sup>th</sup> August 2016 – this is replaced by The Insurance Act 2015)**

##### **Important Notice**

##### **The Insurance Act 2015 – The Duty of Disclosure and Fair Presentation**

This Act has made significant changes on how risk information is provided to insurers. Under the Act, you have a responsibility at policy inception, during the contract period and at renewal to provide all material facts and circumstances about your business, activities and management, in relation to the risk being placed with Insurers. We provide you details of your duties and about the Act when sending our Renewal and New Business letters. You can however ask us for a copy of this any time by contacting us.

## 7. Premiums

We will advise you of premiums when we provide a quotation and at each subsequent renewal / policy review. **The premium is due on or before the commencement of cover.** We will require payment within the terms specified in our correspondence or invoice to you, so we can settle our account with the insurers. Where no terms are specified, payment is due immediately.

Other taxes and/or costs may exist in relation to the products and services we offer.

We will not be able to process a claim if the premium for the relevant period of cover has not been paid. Further, we reserve the right to offset claims settlement payments received against premiums outstanding.

### Methods of Payment

Payment may be made by cheque, bank transfer and credit or debit card. We do not accept all credit cards; contact us for cards that are accepted by us.

In addition some clients may be able to spread payments through insurers' instalment plans or a credit scheme with a finance provider for which there is likely to be an additional charge. We will provide full details of available payment options when providing quotations and at renewal.

When offering premium finance, please note that we act as a credit broker and not as a lender, and we act independently of any particular provider. We may receive commission from the finance provider for introducing customers to them.

Payments due must be paid to us by the inception or renewal date, which will be advised to you, unless otherwise agreed. Failure to meet this requirement may result in insurers cancelling the policy and imposing a time-on-risk charge.

In the absence of your instructions to the contrary before expiry date we will automatically renew your policy if payment is usually made by direct debit

If a payment is overdue, we will send you a reminder. Occasionally, reminders produce no response. In such cases, we place debts with a reputable debt recovery agency. If that becomes necessary, the law allows us to add the Agency's fees (plus VAT) to the debt. It is our normal practice to do this, and you acknowledge your legal obligation to pay any such charge in full. In extreme cases, we will recover debts and costs by legal action.

Returned premiums during the currency of your policy will usually be credited to your account or paid to any premium finance company in accordance with the terms of their agreement. We operate a rolling account basis whereby such refunds are held over to credit against future transactions.

Allowing adequate time before the renewal date of your policy, we will advise the renewal premium and terms for the coming year. If your premium is paid by monthly instalment using credit facilities, **we will renew the policy automatically on your behalf and revise your direct debit instruction accordingly.**

If you do not wish to renew the policy, you must inform us as soon as possible and in any case before the renewal date. You should also instruct your bank to cancel your direct debit mandate.

We will send your new certificate of insurance (where appropriate), to you as soon as payment is received or processed.

## 8. Financial Matters

### Remuneration

We are usually paid by commission from the insurer or service provider but we may charge you a fee. The fee may be additional to, or partly or wholly instead of, commission for a specific policy or a portfolio of policies.

We will give you written confirmation of any fee and the amount, which is then due immediately for payment. These are our standard fees and referred to in the documentation as administration or broker fee.

Fees may also be charged by a third party if the business is administrated by them.

At our sole discretion, we may amend these charges from time to time or allow an ad hoc reduction or waiver.

The Financial Conduct Authority prohibits us from accepting any payment (commission or non-monetary benefit) likely to conflict with our duty to clients.

Our agreed fee is specific to the policy or other work to which it relates. It will not cover work we do in relation to insurance policies for which we are not yet responsible. Work associated with such policies may be paid for by commission from an insurer or service provider, or an additional agreed fee.

We may be entitled to further and separate payment from the insurer for specific services performed in connection with the insurance contract. Some insurers may separately make payment to us reflecting the aggregate income and or profitability of our entire account with them. Unless we exceptionally agree to do so, we will not pass the benefits of such payments on to you.

Our commission and fees relate to the policy period and the work we have already done. We will be entitled to retain all commission and fees in respect of the full policy period, even if the contract is terminated for any reason and even if you appoint another intermediary to replace us during the currency of your policy.

You are entitled to request at any time, information about the commissions that we may have received in connection with your insurance, if you want this information please contact us.

### **Client Money**

We will hold money that you pay to us in accordance with the regulator rules or under risk transfer agreement with Insurers. This will include holding your money in the following way.

A non-statutory trust Insurer bank account in accordance with our agreements with Insurance Companies that transfer the risk of money we receive from customers to them, these arrangements deem any money you pay to us, to be received by them and they will bear the risk of any losses in the event that our firm becomes insolvent. This includes claims money or premium refunds we receive prior to being paid to you.

By holding your money in this way means that in the event that this firm becomes insolvent your money remains protected.

In arranging your insurance we may employ the services of other intermediaries who are regulated by the FCA and your premium may be passed to these intermediaries for payment to insurers. These firms are also required to hold clients' money in a separate trust account. We will also inform you if at any time we are required to pass your premium to firms that operate outside the UK where the protection may be different. Should you not wish us to pass premiums to a firm outside of the UK, please inform us.

We earn commission from insurers at the time when cover attaches. If you subsequently cancel the cover, we are entitled to retain the full amount of commission due, in addition to the fees detailed above.

If we have to repay the provider's commission on premiums they have refunded, the amount will be deducted from the final amount refunded to you.

### **9. Claims**

*You must notify the insurer as soon as you know of or have reason to suspect circumstances that may give rise to a claim. Otherwise, the insurer may refuse your claim or reduce the amount you receive. If preferred, you may do so through us.*

*When you tell us there is a possible claim on your policy, we will inform the insurer without avoidable delay. We will advise you promptly of insurers' requirements, including any request for information required to establish the nature and extent of a loss. We have no authority to settle claims for an insurer.*

*We are not authorised as a Claims Management Company and do not intend to apply for registration. Apart from assisting with a claim on your policy, we will not pursue any third party dispute on your behalf.*

*If there is any conflict of interest, we will only handle an insurance claim on your behalf when we have disclosed to you all information you require. This will enable you to decide whether to give your informed consent. We will require you to confirm your consent in writing.*

*We reserve the right to request payment of all outstanding premiums in the event of a claim..*

*If you require help or guidance please contact us by telephone on 020 8205 3000; fax on 020 8205 3636 or call personally at 235-241 Kingsbury Road, Kingsbury, London NW9 8UG during our regular office hours.*

*We may charge a reasonable fee for our services if we agree to handle your insurance claim after you have ceased to be a client.*

## 10 A Cancellation Clause

**This section applies only to consumer insurance** - defined by the FCA as insurance arranged by an individual acting for purposes not primarily related to his trade, business or profession.

This Mediation Contract is the agreement between you and us, whereby we will use our best endeavours to arrange specified insurance cover for you.

When you have applied (proposed) for an insurance policy, the provider must allow you a short period of reflection during which time you may cancel the proposal. The provider may charge you an administration fee, and the cost of any insurance actually provided before cancellation.

The cancellation period is 14 days and commences from the later of:

- o The day on which you proposed for the insurance (and thereby entered into the Mediation contract with us).
- o The day on which you received the details of the policy, setting out the contractual terms and information.

If a claim has arisen on the policy, you may still cancel but your right to refund of premiums is modified to protect the provider.

To cancel the Mediation Contract within the cancellation period, you must write to us at the address shown on page 1 of this document. If you cancel this Mediation Contract within the cancellation period, we may charge a quantum meruit - ie a fair proportion of our agreed fee if we have carried out chargeable work on your behalf.

## 10 B Cancellation of policies

If you wish to cancel your policy in circumstances other than as described above, you may be entitled to a refund of part of your premium as long as no claims have occurred during the time you have been on cover. The refund due may not necessarily be proportionate to the remaining period of cover. Additionally, you should note the following:

- Insurers do not normally allow refunds in cases where a minimum and deposit premium has been charged
- Cancellation may not be possible until you return your certificate of insurance to us or your insurers
- Cancellation of a direct debit does not necessarily cancel a policy and any balance of premium owing may be requested by the insurers.

When your policy ends or is cancelled, we will send you any documentation and information to which you are entitled on request.

## 11. Termination

Our authority to act on your behalf may be terminated at any time without penalty by either party's giving seven days' written notice to the other, but without prejudice to the completion of transactions already initiated.

If you terminate this agreement –

- o We will still be entitled to any fees outstanding and to any commissions payable at the time of termination.
- o You agree to keep us indemnified against any loss or charge incurred by us as a consequence of your termination and which we cannot reasonably avoid or mitigate.

If you are to pay premiums by instalments, either by direct agreement with the provider or by a separate credit agreement, you must pay the agreed instalments on or before the due dates. If you fail to do so, your policy may be terminated. In that event, we will still have the payment and indemnity rights set out above.

If the provider decides to cancel your policy in accordance with the terms of the insurance, it will give you written notice. That notice will be the greater of the period specified by the policy or any minimum prescribed by Law.

We will continue to fulfil any outstanding regulatory responsibilities to you following termination of these Terms of Business.

## 12. Complaints

We will always try to give satisfactory service but, if you wish to register a complaint, please write to:

[Rohit Malhotra](#)[Bram Vyas](#), KPTI Limited, 235-241 Kingsbury Road, Kingsbury, London NW9 8UG. Telephone 020 8205 3000

We will acknowledge your complaint in writing and will normally send you our Final Response within eight weeks.

If we fail to do so, or if you are still dissatisfied, you may be entitled to refer the matter to the Financial Ombudsman Service (FOS). We will give you details of how to do so, and will co-operate fully with the Ombudsman.

### **13. Financial Services Compensation Scheme (FSCS)**

If we are unable to meet our obligations, you may be entitled to compensation from the FSCS. If we have advised or arranged insurance for you this will be covered for 90% of a claim, without any upper limit, however claims under compulsory insurance, professional indemnity insurance and certain claims for injury, sickness or infirmity of the policyholder are protected 100%.

Further information is available from the FSCS helpline on 0800 678 1100 or 020 7741 4100 and [www.fscs.org.uk](http://www.fscs.org.uk).

The FSCS is the UK's statutory fund of last resort for customers of authorised financial services firms. Compensation is usually payable if an authorised firm is unable or unlikely to pay claims usually because it has ceased trading or become insolvent

### **14. Privacy and Data Protection (Effective 25<sup>th</sup> May this is replaced by GDPR)**

#### **Important Notice**

#### **The General Data Protection Regulation (GDPR)**

**The EU General Data Protection Regulation (GDPR) replaces the Data Protection Act (DPA) from 25<sup>th</sup> May 2018. It applies to all organisations that are processing data on citizens within the European Economic Area so its territorial scope is much more significant than the DPA.**

**Attached to this Terms of Business Agreement (TOBA) is our 'Privacy Policy' which provides details about how we collect and process your personal data.**

### **15. Force Majeure**

We will not be in breach of this agreement and will not incur any liability to you for any failure to perform agreed duties owing to any circumstances beyond our reasonable control.

### **16. Law and jurisdiction**

These Terms of Business shall be governed by and construed in accordance with English Law. In relation to any legal action or proceedings arising out of or in connection with these Terms of Business we both irrevocably submit to the exclusive jurisdiction of the English courts.

### **17. Money Laundering and Prevention of Crime**

As required by Law, we will report any suspicion of money laundering, financial crime, tax evasion or terrorist financing to the National Crime Agency. We are prohibited from disclosing the contents or existence of any such report.

Insurers pass information to the Claims and Underwriting Exchange Register operated by Database Services Ltd and to the Motor Insurance Anti-Fraud Register compiled by the Association of British Insurers.

The Purpose is to check information provided and to prevent fraudulent claims.

Motor insurance details are also added to the Motor Insurance Database operated by the Motor Insurers' Information Centre (MIIC), which has been formed to help identify uninsured drivers and may be accessed by the Police to help confirm who is insured to drive.

In the event of an accident, this database may be used by Insurers, MIIC and the Motor Insurance Bureau to identify relevant policy information.

Other insurance related databases may be added in the future.

## **18. Third Party Rights**

These Terms of Business are intended to confer rights only on you and us. The provisions of the Contracts (Rights of Third Parties) Act 1999 are excluded.

## **19. Taxation**

General Insurance premiums attract Insurance Premium Tax (IPT) at the prevailing rate. Insurance Premium Tax is not recoverable.

Engineering inspections and some other services attract VAT at the prevailing rate. If you are VAT registered, you may be entitled to recover the VAT paid.

## **20. Professional Indemnity Insurance**

We maintain professional indemnity insurance at all times, in accordance with FCA rules.

## **21. Your Instructions**

We will take reasonable steps to fulfil your instructions. If we are unable to achieve what you want, either substantially or at all, we will tell you promptly and will advise what can be achieved.

You may instruct us by fax, by e-mail, by telephone or during face-to-face meetings. We do not admit that your instructions have been received unless we have acknowledged them in writing. We reserve the right to refuse instructions but will not do so without reasonable cause and, if we do, we will inform you. Communications using the Internet are not completely secure and may spread harmful viruses. If you would prefer us not to use e-mails you must inform us.

## **22. Liability for Directors, Officers or Employees**

You agree not to claim personally against any employee, director or officer for any cause arising from the work and services provided under these Terms of Business. This clause does not in any way limit or affect our liability to you as set out below.



## **23. Limitation of Liability**

Unless otherwise agreed in writing between us, our liability to you in connection with the Services described in these Terms of Business is limited to a total of £5m. Furthermore, we will only accept liability for wrongdoings which are due to breach of contract, negligence, breach of professional duty or breach of trust.

We do not accept liability for losses which: are contributed to by your own negligence; arise from your failure to provide information which we have reasonably requested about your insurance risks; or which are not a reasonably foreseeable consequence of our actions. Notwithstanding the above, we place no restriction on our liability to you for: death or personal injury caused by our negligence; fraud or fraudulent misrepresentation; or a breach of our statutory or regulatory obligations.

## **24. Severance**

If any part of these Terms of Business is or becomes illegal, invalid or unenforceable the offending words are deemed to have been deleted from these Terms of Business. They shall not in any way affect the legality, validity or enforceability of the remaining Terms.

## **25. Waiver**

Rights under these Terms of Business may be waived only if specifically agreed in writing by you and us. No verbal promise or forbearance shall constitute a waiver.

Our failure or delay in enforcing or partially enforcing any provision of this or any related contract may not be construed as a waiver of any of our rights under a contract.

## **26. General**

Each of our rights or remedies is without prejudice to any other right or remedy we may have whether under a contract or not.

You agree not to rely on an alleged breach by us as the reason for your failure to perform any obligation under this agreement.

**Changes to your cover**

We will normally deal with requests to increase or amend cover on the day your instructions are received, or the next working day if a weekend or public holiday. Sometimes changes cannot be processed without obtaining additional information. If additional information is required we will contact you as quickly as possible.

We will confirm changes to your policy, once agreed, in writing. We will also advise you of any extra premiums you must pay or premiums we must return to you.

**Receipt of instructions**

We do not consider instructions to arrange or change cover sent to us by post, electronic mail or facsimile to have been received until they reach the relevant personnel in our offices. Furthermore we do not accept instructions left on telephone answering equipment.

We do not accept responsibility for instructions which do not reach us due to failures in the postal, electronic or telecommunications systems.

**Transferred business**

We may take over the servicing of insurance policies which were originally arranged through another insurance broker or intermediary, or directly with an insurer. We do not accept liability for any claim arising out of the advice given by that broker, intermediary or insurer, nor for any errors, omissions or gaps in your current insurance protection.

We would ask you to contact us without delay should any aspect of a policy which has been transferred to us cause you concern or if you need an immediate review. Otherwise we will endeavour to review all transferred policies as they fall due for renewal.

**Documentation charges**

We may charge an administration fee to cover the cost of document production in respect of new business, renewals, mid-term adjustments and providing copies of lost documentation. Any such fees will be advised to you before you incur a liability to pay them and separately itemised.