

# Retail Client Terms of Business Agreement

## Vital Facts

### about our insurance services

**This document contains important information. Please read it carefully.** It sets out a statement of the terms of business on which we agree to act for you as a client and contains details of our regulatory and statutory responsibility under supervision of the Financial Services Authority.

We specifically draw your attention to the following sections:

- Your duty of disclosure (Section 6)
- Client Money (Section 16)
  - (a) Non-statutory trust
  - (e) Interest on client money
  - (f) Funding

This document supersedes any previous Statement of Business Principles or Letter of Engagement. Please contact us immediately if there is anything in these, or any other sections of the Terms of Business Agreement, that you do not understand or with which you disagree.

#### **1. About Our Company**

Crystal Insurance Services Ltd t/as Crystal Insurance Brokers is an independent insurance intermediary. We have no direct, or indirect holding in any insurer, and no insurer has any direct, or indirect holding in Crystal Insurance Brokers. Our registered office is located at Crystal House, 29 Queen Parade, Friern Barnet Road, London N11 3DA.

#### **2. Who Regulates Us?**

Crystal Insurance Brokers, Crystal House, 29 Queens Parade, Friern Barnet Road, London N11 3DA is authorised and regulated by the Financial Services Authority. Our FSA Reference number is 306896 - Mr A K Michael (Approved Person). You may check our details on the FSA Register at [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register), or by telephoning the FSA on 0845 606 1234.

We are permitted under the FSA to advise on the following product type(s)

- Non-investment insurance contract – these are general insurance contracts or pure protection contracts which are not long term care contracts

Our FSA regulated activities as contained in our Scope of Permission Notice are as follows:

- Advising customers on non-investment insurance contracts
- Arranging (bringing about) deals in non-investment insurance contracts
- Making arrangements with a view to transacting non-investment insurance contracts
- Dealing as an agent in non-investment insurance contracts
- Assisting in the administration and performance of non-investment insurance contracts
- Agreeing to carry on a regulated activity.

#### **3. Whose Products Do We Offer?**

We offer products from a wide range of insurers for;

- Motor
- Household
- Commercial
- Liability
- Engineering
- Motor Trade
- Professional Indemnity
- Travel

#### **4. Our Relationship With You**

As an independent insurance intermediary we act for you as an agent and we are subject to the law of agency.

We may have arrangements with insurers or others that we may use to meet your requirements. In these situations we will act for and owe duties to other parties. We will advise you of any such arrangement if it could give rise to conflict of interest.

## **5. Your Insurance Arrangements**

We offer access to products from the Lloyd's insurance market and a wide range of UK and international insurers. The selection of insurers is based on our knowledge and experience of the market, as well as consideration of insurance contracts we have previously arranged in each market sector.

We will normally arrange cover for you and provide advice, products or information on the basis of an analysis of the market by considering a sufficient number of insurers that we feel are appropriate to underwrite the insurance cover you are seeking.

Where our advice is not based on an analysis of the market for a particular proposed insurance, we will tell you the basis upon which we are advising you.

We may also recommend a policy for you on the basis of a particular arrangement with insurers if we feel this provides the most suitable product for you.

If you ask us to, we will provide you with a list of the insurers considered in arranging your proposed insurance.

We will advise and make recommendation on cover for you, after we have made an assessment of your insurance needs, based on the information you make available to us. For some classes of insurance, you may be asked to complete a proposal form. We will be happy to give advice on the form, but we cannot complete it for you. In these situations we are considered as acting as your agents, and all replies given must be your own. We accept no responsibility for any inaccuracies.

We will provide you with a written statement of our understanding of your insurance requirements before concluding an insurance contract for you. It is important that you tell us if any of the information in this statement is incorrect. If we recommend an insurance contract to you, we will confirm why we believe the proposed cover is suitable in satisfying your insurance requirements.

We will also tell you if a particular product is not arranged on the basis of a recommendation from us, but is based on your personal selection of a product or cover from your answers to a series of questions, such as may be included in a proposal form.

To avoid misunderstandings, it is helpful if you provide written instructions by letter, fax or email. In urgent cases, we will of course take verbal instructions, however, we recommend that these should be confirmed in writing.

## **6. Duty of Disclosure**

It is your duty and responsibility to disclose all material information that is known to you which might influence the judgment of insurers in determining the scope of cover, the price or whether or not to accept your risk when you take out or renew an insurance contract (this applies even if you complete a proposal form).

The insurer is not required to make enquiries; the onus will always fall on you. Failure to disclose material information or any inaccuracies in the information given, may lead to serious consequences and your insurance contract may become void from inception (the starting date of your policy). If insurers void cover, you will no longer have an insurance policy and claims will not be paid.

Some insurance contracts may also include a condition that requires you to disclose any material changes throughout the term of the policy.

**If you are unsure whether information or a change in circumstances may be material, you should disclose it.**

## **7. Insurer Security**

We will normally use UK insurers to obtain the best cover terms available for our clients.

We may also use overseas insurers if appropriate for a particular client or risk. It should be noted that a different legal and regulatory regime might apply for non-UK insurers so your ability to enforce your legal rights or seek compensation may vary.

We will provide you with details of insurers we use to insure your risk. While we cannot guarantee the solvency of any insurer or its ability to meet policyholder obligation, we do use our reasonable endeavours to protect the interests of our clients by reviewing and monitoring the suitability of all insurers that we use.

However, the final decision on the suitability of an insurer does rest with you. If you have any concerns about the insurers we are using to provide cover, please contact us immediately.

## **8. Policy Summary and Policy Documentation**

Insurers are required to provide you with a summary of cover to allow you to make an informed decision before concluding a contract of insurance. This will include details of:

- The type of cover and its significant features and benefits
- Any significant or unusual exclusions or limitation to the policy.

Insurers are also required to produce policy documentation to provide the full terms and conditions of cover promptly, and before conclusion of an insurance contract with you.

We will maintain records and retain documents for the insurances we arrange for you in line with FSA requirements.

## **9. Mid-term changes to Your Policy**

If you need to make any changes to your insurance cover during the period of the policy (mid-term changes), please contact us immediately so that we can advise your insurers and obtain their approval. We may also need to seek further information from you. We will confirm the revised terms for cover to you in good time following receipt of your instructions.

## **10. Renewal of Insurance**

We will approach you for renewal information or provide you with renewal terms when obtained from your insurers, which should be provided at least 21 days before expiry of your existing policy. We will also advise you if renewal is not being invited and of any alternative terms. We will then provide a statement of any proposed changes to the terms of the policy and its price.

Where payment for the contract you have undertaken is by regular instalment, for example by direct debit, you give your consent to the contract being automatically renewed, without further reference to you, at the renewal date. This means that insurance will continue to be provided to you, and you will be obliged to continue to pay for such insurance, unless you specifically contact us at renewal to notify us that you no longer require such insurance.

**Please remember that the duty to disclose all material information applies for any alteration, extension or renewal of your insurance contract.**

## **11. Your Statutory Cancellation Rights**

Your insurance contract includes a statutory 14-day cancellation clause. This cooling-off period allows you to reconsider your selection and to cancel your cover if you wish. To cancel you must give (written) notice of cancellation within 14 days of the day we confirm that your insurance policy is in place or the day when you receive information about your cover, whichever is later.

If you cancel your policy within the 14-day period, you will receive a pro rata refund of premium from the insurer. We may also keep an amount that reflects our administrative costs of arranging and canceling the insurance. The Insurer may also charge an amount for administration. We will reserve the right to retain our fees and brokerage if you cancel your insurance.

## **12. Mid-term Cancellation**

Any cancellation instructions outside the statutory 14 day cooling off period will be subject to a return premium net of commission less a £10 mid-term cancellation fee. In the event that our services are terminated by you, we reserve the right to retain any fees or brokerage received, or to claim any outstanding balances that are still payable. We will also keep an amount that reflects the full cost of arranging and canceling the insurance.

Where an annual contract is taken up with the intention of being on cover temporarily we reserve the right to retain the full cost of setting up the policy as we are required to spend the necessary amount of time to search the market, negotiate setup, thus, wish to discourage any time wasting of this sort.

Also please note, if you wish to cancel outside this period you may not receive a pro rata refund of your premium. Due to policy setup costs and the amount of time required to negotiate a new contract, certain insurers on certain policies may not allow for any return premium on a mid-term cancellation or indeed a withdrawal from the contract once the risk is on cover.

## **13. Premiums**

We will provide you with a statement of the premium due for your policy in confirming cover (or its method of calculation) plus any taxes that may be payable (whether through us or not). If you enter into a premium finance agreement arranged through us to pay your premium by instalments, we will inform you of the interest payable.

We will issue a debit note or invoice, or payment instructions in your cover documentation. This will show you the amount due, this can be paid by cheque, cash or by direct debit. Premiums will become due from the moment your insurance commences and so that we can settle with your insurers, we ask that you pay us promptly in accordance with the debit note, invoice or instructions given.

If you fail to pay your premium by a due date, your insurance may be cancellable by insurers from inception (the date the policy started). Any bank charges that arise from unpaid (bounced) client cheques plus our charges to administer the matter will be added to your account and must be paid immediately.

#### **14. Claims**

In all circumstances where a claim arises, it is in your best interest to contact us for advice and to update your record. We will administer your claims fairly and promptly. You should advise us immediately in the event of a claim, or any circumstances that may give rise to a claim against your insurance policy, so that we can ensure that your claim is passed to the insurer promptly, or so that we can inform you that we cannot deal with the notification. Please refer to your policy summary or your policy document if you need to notify a claim. Most insurance policies require prompt notification of claims or claims circumstances as a condition of cover and some may specify a time period or format for notification. You should contact the insurer direct as soon as possible using the contact details provided.

We will tell you when confirming cover who you should contact if you have a claim, and will assist you in submitting your claim and in seeking settlement from insurers.

We will also inform you if insurers want you to notify claims direct to them. If you then experience any problems in dealing with insurers, we ask that you contact us for assistance.

Claims payments will be remitted as soon as possible after they have been received from the insurers.

#### **15. Our Remuneration**

Our remuneration in respect of the service we provide to you will be charged as a brokerage, or a commission, or alternatively as a fee. In the case of brokerage or commission the amount of this will be agreed between your insurers and us as a percentage of the premium payable.

Usually, we will not charge you a fee for our services. However, there may be occasions where we will charge you a fee for advice or services. Where this is the case, we will fully explain the basis of our charging, and agree with you what the fee is for, and when the fee is payable, before charging that fee, this may be up-to 10 per cent of the gross premium depending on the difficulty and time spent on the case. Our standard fee for mid-term adjustments and lost documentation is £10. Any other fees relating to any particular insurance policy will be included in the quotation you receive.

Apart from earning a fee or brokerage or a commission, we may also benefit from other remuneration generated from:

- The management of cash balances in accordance with section 16
- Arrangements with insurers to provide administration and support or other services including where we act as agents for insurers
- Our relationship with other companies whether or not identifiable to any specific client or account, when our clients determine they wish to benefit from services provided by those companies. This includes referral payments from premium finance companies
- Overriding or profit commission may be earned from the Insurance Companies

Such remuneration is only earned on the basis that it does not in any way detract from or conflict with our acting in your best interests which is paramount at all times.

Details of our remuneration are available upon request from your usual contact.

#### **16. Client Money (General)**

Crystal Insurance Brokers is governed by strict rules pertaining to Client Money, set down by our regulator the Financial Services Authority. Client money is any money that we receive and hold in the course of arranging or administering insurance on your behalf, or which we treat as client money in accordance with FSA rules.

We operate the following type of account and will draw your attention to which applies to you. We may earn interest on monies held in our Client Account, for which you consent to our retaining.

##### **(a) Client Money (Non-Statutory Trust)**

Crystal Insurance Brokers t/as Crystal Insurance Services Ltd holds its clients' monies in a Client Account from which it may make advances of credit for, for example, premiums, claims and refunds of premiums. We act as Trustees of our clients' monies and must meet certain legal and regulatory conditions. This is completely segregated from our own money and there are strict regulatory controls on us to maintain solvency of the Non-Statutory Trust account and to conduct a regular reconciliation of the account. Importantly, client money will be ring fenced in the Non-Statutory Trust account so that it will be returned to the client's in the event of our company's insolvency and cannot be used to reimburse other creditors.

Under the rules, money held in the Non-Statutory Trust account may continue to be used for payment of premium or claims for another client before their monies are received, but increased credit controls will be maintained where this occurs. We are not entitled to use client money to take payment of fees or brokerage before we receive the relevant premium from a client.

**(b) Use of Third Parties**

We will inform you if we intend to arrange an insurance contract on your behalf or transfer your money to insurers using another person, such as another broker.

Where this involves another person outside the UK, a different legal and regulatory regime may apply and money may be treated in a different manner.

**You must notify us if you do not which your insurance arranged with a particular company or money passed to a person in a particular jurisdiction.**

**(c) Bank Accounts**

We will deposit client money we receive in a bank account with one or more UK approved banks.

**(d) Risk Transfer**

Under FSA client money rules, we may agree to act as an agent for insurers in handling payment of premiums, return premiums or claims. This is subject to 'Risk Transfer' where insurers assume a credit risk so that payment of your premium to us will be deemed payment to insurers, and claims and return premium paid by insurers through us, will not be deemed paid, until received by you.

**(e) Interest on Client Money**

Any interest earned on client money held by us and will be retained by us.

**(f) Funding**

There may be occasions when we fund certain payments on your behalf or to you, whether in respect of premiums, return premiums, claims or otherwise. In such an event, you accept and acknowledge that such payments were made for your benefit and with your implied authority and that unless otherwise paid to us by insurers, you will repay the full amount of such payments to us and that, until you do so, the outstanding amount is a debt due from you to us.

**17. Conflicts of Interest**

Occasions can arise where we, or one of our other customers, will have some form of interest in business which we are transacting for you. If this happens, or we become aware that our interest or those of one of our customers conflicts with your interests, we will inform you and obtain your consent before we carry out your instructions. As an example, a conflict of interests may arise where we have authority to settle claims on behalf of the insurer.

**18. Duty of Care and Confidentiality**

We will treat any personal information we receive from you as confidential. We are registered under the Data Protection Act 1998 and undertake to comply with the Act in all our dealings with any of your personal data.

We will keep records of all our business transactions for a minimum period of three years. We treat all our clients' records as private and confidential even when they are no longer a client. No information will be passed to another party without your prior consent unless we are legally obliged to do so, or to meet our regulatory requirements. We cannot be held responsible for incorrect data held in the event of non-disclosure. Some or all of the information you supply to us in connection with your insurance proposal, may be passed to other insurance companies for underwriting and claims purposes

Under the Data Protection Act 1998, you have the right of access to your personal records held on our files. This may incur a small administration fee and we will tell you what the fee is if you ask for a copy of your information.

**19. Complaints**

We take complaints made against us very seriously and we will endeavour to act fairly and reasonably at all times and provide you with a professional service. Should you have any complaints about the service provided, please contact us in writing to Miss D Michael Complaints Department, Crystal Insurance Brokers, Crystal House, 29 Queens Parade, Friern Barnet Road, London, N11 3DA, or telephone Miss Michael at Crystal Insurance Brokers on 020 8211 3636.

If we cannot resolve your complaint straight away, we will acknowledge its receipt promptly, and arrange for a senior manager to investigate the matter and provide you with a response.

If you cannot resolve your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service at, South Quay Plaza, 183 Marsh Wall, London, E14 9SR, or telephone the Financial Ombudsman Services on 0845 080 1800 or e-mail the Financial Ombudsman Services at [enquiries@financial-ombudsman.org.uk](mailto:enquiries@financial-ombudsman.org.uk).

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

In the event of the failure of Crystal Insurance Brokers, or another UK broker or UK insurance company, we are covered by the Financial Services Compensation Scheme (FSCS) and 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. [or] For compulsory classes of insurance, insurance advising and arranging is covered for 100% of the claim, without any upper limit.

Further information about compensation scheme arrangements is available from the FSCS on 020 7892 7300.

## **21. Money Laundering**

We are obliged to take reasonable steps to safeguard our company and our client against the risk of financial crime.

To help achieve this we may need to ask you to provide us with additional information relating to any insurance transactions you ask us to undertake on your behalf.

## **22. Language**

As a UK firm, all documentation, correspondence and communication we provide to you will be in English, unless we separately reach agreement with you to the use of another language.

## **23. Governing Law and Jurisdiction**

Crystal Insurance Brokers undertakes its activities as an insurance intermediary in accordance with the laws of England and Wales. Any disputes will be governed by and construed in accordance with the laws of England and Wales and subject to the exclusive jurisdiction of the courts of England and Wales.

Please contact us immediately if there is anything in this Terms of Business Agreement that you do not understand or with which you disagree. If you have any questions, please advise your usual contact in the first instance, who will be pleased to assist you.

## **24. Informed Consent**

Your receipt of this Terms of Business of Business Agreement and subsequent transaction of business with us constitutes your informed consent to the terms of this agreement.

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## **RETAIL CLIENT TERMS OF BUSINESS AGREEMENT**

**Please sign and return this Terms of Business Agreement slip in the reply paid envelope provided to Crystal Insurance Brokers. Your instruction or confirmation of an order to arrange cover on your behalf will be acceptance of the Terms of Business Agreement.**

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**CLIENT REF:**

**By accepting this Terms of Insurance Business you are giving your consent for us to operate in this way.**

**Acceptance**

Print  
Name

Signature

Date