

GENERAL TERMS OF BUSINESS AGREEMENT

This document is effective from 1 September 2007. **Please read it carefully.** It 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.

Please contact us immediately if there is anything in these Terms of Business which you do not understand or with which you disagree.

ABOUT OUR COMPANY

Hayes Parsons Limited (trading as Educational Insurance Services and Hayes Parsons Marine) is an independent insurance broker, authorised and regulated by the Financial Services Authority (FSA) to transact general insurance business. Our FSA Registration number is 311881. You can check this information on the FSA's Register by visiting the FSA's website at www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234.

We are also members of the British Insurance Brokers' Association (BIBA) and the British Marine Federation.

OUR PRODUCTS AND SERVICES

Except as stated below we usually select products from a wide range of insurers.

For motor and marine uninsured loss recovery insurance we select products from single insurers.

In all other cases if we select products from a limited number of insurers, or just one insurer, we will tell you when we provide a quotation for a new policy or at renewal.

Our service includes:

- Advice on risk exposure and insurance needs
- Arranging cover to meet requirements
- Help with ongoing changes
- Assistance on claims made on insurance policies we have arranged

For certain types of insurance we are also authorised to issue policy documentation and/or certificates on behalf of the insurers.

TREATING CUSTOMERS FAIRLY

We aim to provide our customers with an excellent customer service to ensure their insurance requirements are met and to deal with them in an open, honest and fair manner at all times.

METHODS OF COMMUNICATION

We will normally communicate with you by post, telephone and, where available, fax or e-mail, in addition to any meetings we may have with you. Please let us know if you would prefer not to receive communications by e-mail.

INSURER SECURITY

Whilst we monitor the financial strength of the insurers with whom we place business, it should be noted that the claims-paying ability of even the strongest insurers could be affected by adverse business conditions. We cannot, therefore, guarantee the solvency of any insurer or underwriter.

A liability for the premium, whether in full or pro rata, may arise under policies where a participating insurer becomes insolvent.

DISCLOSURE

You are responsible, on an ongoing basis, for providing us and/or your insurers with all material facts relating to the insurance covers we arrange on your behalf. Material facts are those which are likely to affect the assessment and acceptance of risks being insured. Failure to provide full and accurate information may mean that your cover is invalid. If you are in any doubt as to what facts are considered to be material then you should disclose them to us or your insurers.

It is very important that information given in proposal forms, claim forms and declarations to insurers is correct. If a form or declaration is completed on your behalf, it is your responsibility to check that the answers given to all questions are true and complete.

You are advised to keep copies of any correspondence you send to us or direct to your insurers.

FEES AND CHARGES

Our remuneration will be either a fee as agreed with you or by way of commission paid to us by insurers which is deducted from the premiums you pay to insurers. If appropriate, and after disclosing details of such arrangements to you, we may receive a fee and commission. It may be appropriate and for your benefit for us to use other insurance brokers or intermediaries to assist us in fulfilling your insurance requirements. These companies may receive usual and customary remuneration for the services they provide. We will not impose any fees or charges in addition to the premium required by insurers or as described above without first disclosing the amount and purpose of the charge.

Some insurers may make additional payments to us contingent on the aggregate income and/or profitability of their account with us and/or in respect of work we undertake on their behalf.

We reserve the right when you take out or renew a policy with us to make an administration charge of £25.00 in addition to the insurer's premium. You will be advised if this charge is to be made when we provide our quotation.

If replacement certificates are requested in the event of the loss or misappropriation of the original document, we also reserve the right to make an administration charge of £10.00 for issuing replacement documents.

In the event of a policy being cancelled mid term, and not replaced by another policy, we reserve the right to retain the commission earned on the original transaction.



Upon request we will be pleased to provide information about any commission received by us in the handling of your insurance contracts. Any such requests should be made to our Compliance Officer.

METHODS OF PAYMENT

We normally accept payments by cheque, bank transfer or credit or debit card. It is often possible to spread payments through insurers' instalment schemes or a credit facility we have arranged with a specialist premium finance provider.

We will give full information about premium payment options when we provide quotations and at renewal.

SETTLEMENT TERMS

You are responsible for the prompt settlement of insurance premiums so that we can make the necessary payments to your insurers.

We have no obligation to fund any premiums on your behalf and cannot be held responsible for any loss which you may suffer as a result of a policy being cancelled or otherwise prejudiced due to the late payment of a premium where the delay is attributable to you.

HANDLING CLIENT AND INSURER MONEY

Client money collected for onward transmission to insurers, and return premiums due to clients from insurers, is held in a Client Bank Account, under a Non-statutory Trust in accordance with FSA rules. The Deed of Trust permits us to use the account to make advances of credit from time to time to our clients, in order to fund their premiums, subject to strict conditions. In dealing with us you agree to our holding client money in this way. A copy of the Deed of Trust is available on request.

For the purpose of some transactions, please note that client money may pass through other authorised intermediaries before the insurer receives it.

Where we collect or hold money as agent of the insurer we may also hold that money in the same Client Bank Account.

Client money will be deposited with one or more approved banks, a list of which is available on request. Please notify us immediately if you do not wish us to use any bank or banks on this list.

Interest will not be paid to clients in respect of money held in client bank accounts.

CONFIDENTIALITY

All information provided by our clients is treated as confidential and only disclosed in the normal course of negotiating, arranging and administering your insurance. This may include disclosing information to agents and service providers such as loss adjusters and approved contractors.

We will not release information to any other party without your consent with a few exceptions, for example information requested by a court, a regulatory body, or information which is already in the public domain.

We are registered under the Data Protection Act 1998 and undertake to comply with the Act in all our dealings with personal data.

QUOTATIONS

Unless stated otherwise in our documentation all quotations provided for new insurances are:

- Valid only for a period of 30 days from the date of issue and
- Subject to satisfactory completion of the insurer's Proposal Form or a signed and dated Statement of Facts.

You should be aware that quotations may change or be withdrawn if the information given to us or your insurers in proposal forms or declarations differs from that provided at the time the quotation was issued.

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, or left on answering equipment, to have been received until they reach the relevant personnel in our offices.

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

DOCUMENTATION

Our aim is to produce documentation and correspondence in a clear and understandable format. In the event of any uncertainty we would ask you to let us know immediately. Our staff are always happy to clarify the cover provided.

You should check all policy documentation to ensure that the details are correct and the cover provided meets with your requirements. Any errors should be notified to us immediately.

We recommend that you keep policy documents for as long as a claim is possible under the policy.

TRANSFERRED BUSINESS

If we 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.

HAYES PARSONS LIMITED

St. Lawrence House, Broad Street, Bristol BS1 2HF

Tel: (0117) 929 9381 Fax: (0117) 925 4179 Reg. in England No. 816448

www.hayesparsons.co.uk

Authorised and Regulated by The Financial Services Authority



MAKING A CLAIM

Many insurers provide a 24-hour Helpline in respect of claims and you should consult your policy documentation for contact details.

Please ensure that you report all incidents that could give rise to a claim as soon as you become aware of them, either by contacting your insurer on their helpline or by telephoning our office. You will be advised if you need to complete a claim form or produce documentation to support your claim.

In certain circumstances late notification may result in your claim being rejected.

If the claim involves damage to your property, please do not:

- Dispose of damaged items and/or
- Authorise repair work (except in an emergency or to prevent further damage)

until your insurers or we advise that you can.

If your claim involves damage to third party property or injury to persons please pass copies of all correspondence, including solicitors' letters, to us immediately and unanswered. Any attempt to negotiate or respond to the incident without prior reference to your insurers or us might prejudice your cover.

You should be aware that a claim arising after renewal of the policy has been invited might affect the assessment and acceptance of renewal by your insurers.

CONFLICTS OF INTEREST

As independent insurance brokers we act as the agent of our client. We are subject to the law of agency which imposes certain duties on us. We also have proper regard for the interests of others, including insurers for whom we act.

Where we become aware of any actual or potential conflict of interest we will inform you of the situation, the options available to you and obtain your consent before we carry out your instructions.

COMPLAINTS PROCEDURE

We recognise the importance of service and set ourselves high standards. Should there be an occasion when we do not meet your expectations we are equally committed to dealing with any complaint in a thorough and professional manner.

If you wish to register a complaint please contact us:

- In writing, addressed to The Compliance Officer, Hayes Parsons Limited, St Lawrence House, Broad Street, Bristol BS1 2HF
- By telephone to 0117 930 1698

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

COMPENSATION

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the FSCS 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. For compulsory classes of insurance, insurance advising and arranging is covered for 100% of the claim without any upper limit.

Further details about compensation scheme arrangements are available from the FSCS on their website www.fscs.org.uk.

TERMINATION OF AUTHORITY

You may terminate our authority to act on your behalf with 14 days' notice or as otherwise agreed without penalty. Notice of this termination must be given in writing and will take effect from the date of receipt. Termination is without prejudice to any transactions already initiated which will be completed according to these Terms of Business unless otherwise agreed in writing. You will be liable to pay for any transactions or adjustments effective prior to termination and we will be entitled to retain any and all fees or brokerage payable in relation to policies placed by us prior to the date of termination.

CANCELLATION RIGHT

If you take out a personal insurance policy through us you may have a right to cancel the cover up to 14 days from the later of:

- The policy start date or the date you receive full policy documentation from us or your insurers
- The renewal date or the date you receive full renewal documentation from us or your insurers

You will be informed if you have such a Cancellation Right in separate documentation.

Should you decide to exercise the Cancellation Right you will be entitled to a refund of premium less an appropriate pro rata charge for the period of cover given before the cancellation right was invoked. If the premium has not been paid, a charge may be made for the period of cover given prior to the exercise of the Cancellation Right.

Should any claim occur prior to the exercise of the Cancellation Right where the claim terminates the insurance cover, your insurers may not allow a refund of any of the premium paid.

If this Cancellation Right is not exercised within the 14-day period as stated above, and you decide to cancel the policy at a later date, the amount of any premium refund will depend upon the cancellation terms of your insurance policy.

To exercise the Cancellation Right you should contact us at our normal address or your insurers at the address shown on your policy.

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 non-exclusive jurisdiction of the English courts.

HAYES PARSONS LIMITED

St. Lawrence House, Broad Street, Bristol BS1 2HF

Tel: (0117) 929 9381 Fax: (0117) 925 4179 Reg. in England No. 816448

www.hayesparsons.co.uk

Authorised and Regulated by The Financial Services Authority

