

Regulatory Information and Terms of Business

1. Regulatory Information & Terms of Business (Terms)

In these Terms references to “we” or “us” are Berkeley Alexander Ltd. These Terms apply if you are considering or have purchased insurance from us in connection with purposes other than your trade, business of profession. We recommend that you carefully read them – they describe some important rights and safeguards you have under the FCA’s regulatory regime and are also the terms that will apply to our appointment by you. In particular, this document describes;

- **the services we will provide you** and on whose behalf we are acting when arranging insurance for you (s.6);
- **how we earn income** from arranging insurance and **your right to disclosure of that income** (s.7 and s.13);
- **how we search the insurance market for a policy to offer to you and how we select the insurers we use (s.5);**
- important information regarding your **obligation to disclose details (s.10), cancellation rights (s.11), complaints (s.4)** and **how much refund of premium you may be entitled to if you cancel your policy early** (s.7, 9 and 11).
- **how our liability to you is limited in certain circumstances** (s.16)

If you are uncertain as to your obligations under these terms or you want any explanation about them please email, write to or telephone us using the contact details provided. These Terms supersede all proposals, prior discussions and representations (whether oral or written) between us relating to our appointment as your agent in connection with the arranging and administration of your insurance. These Terms constitute an offer by us to act on your behalf in the arranging and administration of your insurance – in the absence of any specific acceptance communicated to us by you (whether verbal or written) you are deemed to accept our offer to act for you on the basis of these Terms by conduct upon your instructing us to arrange, renew or otherwise act for you in connection with insurance matters. If you do not wish to be bound by these Terms then you should not instruct us to arrange, renew or otherwise deal with your insurance needs.

2. Who are we regulated by?

The Financial Conduct Authority (FCA) is the independent watchdog that regulates financial services. We are authorised and regulated by the FCA and you can check this on the Financial Services Register or telephoning the FCA on 0800 111 6768.

Permitted Business: Our permitted activities are providing insurance quotations, arranging insurance cover; dealing as agent and assisting with the administration and performance of policies – all in connection with general insurance.

3. Are we covered by the Financial Services Compensation Scheme (FSCS)?

Yes. You may be entitled to compensation from the scheme if we cannot meet our obligations, depending on the type of customer you are and, in the case of a business, the size of that business and the circumstances of the claim. Compulsory classes of insurance are covered in full, for other classes, coverage is 90% of any claim without upper limit. Advising and arranging is covered for 90% of any claim, without upper limit. The compensation scheme may change from time to time - further information is available from the FSCS at www.fscs.org.uk.

4. Complaints

We aim to provide a high standard of service to you at all times. However, sometimes things can go wrong and if this occurs we are committed to resolving matters promptly and fairly. You can complain to us using any of the following methods:

- by writing (including email), to the Managing Director, Berkeley Alexander Ltd, Temple House, 26-26 High Street, Lewes, East Sussex BN7 2SD, info@baonline.co.uk and/or;
- by telephone, 0845 355 1166 or fax 0845 355 1167;
- in person, at the address above.

In all cases please quote your policy number or other reference we have given you. If you cannot settle your complaint with us you may be entitled to refer it to the Financial Ombudsman Service. A summary of our complaints handling procedure for customers is available on request. **Please note that you must give us the opportunity to resolve your complaint before it may be taken to the Ombudsman.**

5. Which insurance companies & finance providers do we use to select your insurance and provide payment options?

This depends on how you have bought (or are going to buy) your policy. If you have bought your insurance using one of our direct to consumer internet sites then we will not have selected insurers from a fair analysis of the market. Instead, we will have offered quotations and cover as follows;

- For Home Legal Expenses & Identity Theft insurance, we only offer products from Lawshield.
- For Jewellery All Risks insurance, we only offer products from Catlin Insurance Company (UK) Ltd

If you have bought (or are intending to buy) your policy from us using any other method, again we do not select insurers from a fair analysis of the market. Instead, we will usually provide you with information from a limited number of selected insurance companies. On request, we will give you a list of those insurers available to us. However,

- For motor legal expenses insurance, we only offer products from Countrywide Assistance
- For home legal expenses & identity theft insurance, we only offer products from Lawshield

If you choose to pay your insurance by instalments we may use a scheme operated by the insurer who provides your cover or a lender we use to provide finance. We may receive a commission for introducing customers to a lender.

Please be aware that we are part of a group of companies, linked by a common parent company, which includes Towergate Underwriting Group Ltd with whom we may place your business. We are not under a contractual obligation to select and recommend products in this way. Occasionally we will use the services of another insurance intermediary to arrange a product suitable for your needs (sometimes called an "insurance chain"). If you are a Commercial Customer, you will be advised of this and any fees you pay for this arrangement will be separately disclosed to you.

6. Our Service

Please be aware that we will **NOT** provide advice or recommendations. You are responsible for deciding if a policy meets your insurance requirements. We will however ask questions to narrow down the selection of products applicable to you and provide you with details about the product and cover. You will then need to make your own choice about how to proceed. We will also assist in the administration of your policy, including assisting you in making claims. We will act as your agent when finding insurance for you and also in the event of a claim. Should this change for any reason, we will advise you beforehand. Acting as your agent means that when arranging your policy (including helping you complete proposal forms and disclosing information to your insurer) you take responsibility for our actions. It is therefore very important that you check carefully any form that we may help you complete or information we pass on for accuracy, as you could be held responsible for any errors which in turn may affect your ability to claim. Please note that we hold a delegated authority from Great Lakes Reinsurance UK PLC in respect of Residential Buy To Let Insurance; Towergate Underwriting Group and Zurich Insurance Company in respect of Home Buildings and/or contents; Catlin Insurance Company (UK) Ltd in respect of jewellery Insurance; and Great Lakes Reinsurance UK PLC, Alpha Insurance, Assurant Solutions and Certain Underwriters At Lloyds in respect of Accident, Sickness &/or Unemployment insurance. This means we are acting as the insurers' agent for that transaction and are under obligation to them to protect their interests when using this authority, which extends to placing insurance. Where we place your cover under this authority, we will ensure that we manage any potential conflicts of interest between you and the insurer(s) concerned fairly and disclose to you clearly when this applies. If you object to us using this authority to place your business, you should contact us immediately otherwise we will assume we have your consent to do so.

7. The fees we charge for our services

The quotation we provide for you will include the cost of each insurance product we are offering along with any fee we make for the issuing and renewal of your policy. In addition to the premiums charged by the insurers, we may charge a fee of up to and including £50 to cover the administration of your insurance in each of the following circumstances:

- Alteration of policy documentation; or
- Replacement/duplication of lost documentation; or
- Cancellation of a policy prior to the renewal date; and
- Return from the bank of unpaid cheques

Please note that these fees are separate to any charge that you may incur from your insurance company and are non refundable, even if you cancel your policy. If you wish to pay your premium by credit card, we charge a fee of 1.5% of the total premium. There is no fee for debit cards. If you have not taken out an Uninsured Loss Recovery Insurance and request we recover uninsured losses on your behalf, we may charge a fee by negotiation.

Where any other fee is payable, you will be advised before you commit to the service. We offer the use of credit facilities to our clients to help with their premiums. The companies we use to supply this service provide us with an enhanced rate of commission for using their credit facilities. In addition, some insurers offer us enhanced commission terms.

Please Note – no fees are charged in respect of our Mortgage Payment Protection Insurance (MPPI) and Payment Protection Insurance (PPI) policies.

8. Fees in Lieu of Commission

This paragraph applies where we have, as an alternative to commission, agreed to charge fees in lieu (FIL). Where we have agreed to charge a FIL the services which we shall perform shall be set out in a separate service summary (Service Summary). Any commission which we receive which is directly connected with the insurances placed by us on your behalf will be retained by us and set off against the FIL and any other amounts from time to time due and payable by you under this Agreement. Unless otherwise agreed by us the FIL will cover the period set out in the Service Summary. The FIL is calculated by reference to the full term of insurance policy or policies arranged for you. Unless we agree otherwise no refund of any FIL or other remuneration shall be payable in the event that (for whatever reason) the actual period of insurance is less than the full term or you terminate this Agreement before the expiry of any policy arranged by us on your behalf. In the event that we are obliged to refund any commission which has been paid to us and retained by us in lieu of all or part of the FIL we reserve the right to charge you for the amount of commission refunded. We reserve the right to charge fees in addition to the FIL where you request services which go beyond those specified in the Service Summary. We will endeavour to agree these additional charges with you before they are incurred, failing which the additional fee will be calculated by reference to the hourly charge out rate (from time to time) which applies to the staff involved in providing such additional services. The hourly charge out rate for any additional services is subject to any applicable tax which may be levied from time to time and does not include travelling or other expenses where the additional services are performed other than at our offices.

9. Refund of premiums

In certain circumstances your insurer may repay part of your insurance premium(s) to us. This can occur where, for example, the risk covered by your policy is reduced (for example; a reduction in the value of your contents on a domestic home insurance policy) or the policy is cancelled. We will usually be asked by the insurer to return to them the commission on the refund due to you, called a clawback. How we deal with this depends on the amount to be refunded;

- Where the amount of the refunded premium is less than £30 (per policy) we will retain such amount, but where a policy administration fee is made we will set it off against this fee. For example, if you reduced your cover mid-term resulting in a return premium due to you of £18.00 (for the processing of which we usually charge a policy administration fee of £30.00), we will offset the refund that we retain against the administration fee due. This would result in a charge to you of £12.00 (£30.00 administration fee, less the £18.00 refund which we retain would equal £12.00 to be paid by you).
- For any refunded premium in excess of £30 (per policy) including cancellations mid-term; because the majority of our costs are incurred administering the inception or renewal of a policy, where the clawback commission to the insurer is more than our £30.00 administration fee we will deduct the clawback commission from the refund due to you. In recognition of this, where the amount of the clawback is in excess of the administration fee payable at that time, we will not charge an administration fee.
For example, if we process a change to cover resulting in a return premium to you of £175 (including a £35 clawback of commission), we would refund £140 (£175 - £35) but not charge you an administration fee as the amount of the clawback is in excess of the fee.

This paragraph does not affect any cancellation/refund rights which Consumers may have pursuant to paragraph 11 below.

10. Your duty in relation to the questions asked

In arranging your insurance both we and the Insurers will ask a number of questions which you are required to answer. Please take reasonable care to answer all the questions honestly, to the best of your knowledge and provide full answers and relevant details. If you do not answer the questions honestly or to the best of your knowledge then your policy may be cancelled or your claim rejected or not fully paid. Where help text is provided in relation to a question please ensure that you read this fully to ensure the correct answer is provided.

11. Cancellation Rights

You will find full details of your cancellation rights, and any related charges which may be levied by your insurer in your policy document. Consumers (as defined by FCA – that is, persons who have bought insurance for purposes not connected with their trade, business or profession) have 14 days to cancel their policy, without having to provide reason, with effect from the later of: (a) the day they receive the full terms and conditions of their policy, or; (b) the day the policy is sold – but in either case this usually does not apply to policies of less than one month's duration, or single-trip travel policies. Cancellation rights vary between insurers and you should check your insurer's documentation if you are considering cancelling your policy. If you are a Consumer and you exercise your right to cancel your policy within the 14 day (or **30 days for Creditor Insurance**) cancellation period you will be charged for any period during which you were covered, and other charges may be applied to cover the insurer's and our costs in arranging the cancelled policy, which will usually mean we will retain any fee charged. **If you cancel your policy after the expiry of this 14 day period we reserve the right to charge you for our time and costs. This will mean we will charge you for the commission we would have received had the policy remained in force for the full term, together with any fee we may have charged when we sold or renewed your policy (but subject to the provisions of clause 9).** This is because the majority of our costs are incurred "up front" in setting up your policy and at each renewal. If you cancel before expiry we would not make the earnings we had anticipated and may in fact make a loss.

12. Our right to set off monies you owe us

We shall be entitled (but not obliged) without notice to you to set off any amounts due to us from you against any amounts which we may receive on your behalf.

13. Information on our remuneration

Other companies (including members of our group of companies) may act as underwriting agents, intermediaries for insurers or Lloyd's/London Market placing brokers in connection with your insurance. Where such companies are involved in placing or servicing your business they may charge an administration fee or other payment which will be passed on to you and disclosed separately from the cost of your insurance. Such businesses earn commission in respect of placing such business which is separate from that which we receive.

In addition to commission which is paid to us by insurers we may earn a "profit-share", management or administrative fees and other payments from insurers for efficiently managing business transacted with them. These payments may be calculated by reference to various criteria such as overall annual profitability of the insurance business transacted, taking into account the total amount of claims arising under policies we place with them. "Profit-share" payments are not directly referable to individual policies and consequently it is not possible to calculate such payments on an individual policy basis, meaning that we are unable to disclose to you how much your policy contributed to any "profit-share" payment we might

receive. Ordinarily, and if such a “profit-share” payment is received (which is not guaranteed) it represents a small proportion of the normal commission we receive and will be retained by us.

Depending on the services which you have asked us to perform we may earn referral fees from third parties which are incidental to the insurance arranged for you. Such payments may be derived from a number of incidental activities including arranging premium financing, risk management, legal expenses cover and uninsured loss recovery services and will be retained by us. In limited circumstances additional amounts may also be paid to us by third parties where a hire car is arranged following an accident. In each case we will retain these payments.

From time to time insurers may make loan facilities available to us on commercially advantageous terms as an incentive for us to efficiently and profitably manage business transacted with them. This may involve (for example) reduced or nil interest rates and extended repayment terms which apply to such loans provided we meet or exceed efficiency and profitability targets set by the insurers in respect of the business we have placed with them.

During the course of our appointment we may hold certain monies on your behalf. This may include premiums to be paid to insurers, commissions derived from your insurance, claims monies and other sums. Interest and investment returns which are derived from such sums whilst temporarily held on your or your insurer’s behalf will belong to and be retained by us in addition to any other remuneration which we may earn in connection with the services which you have asked us to perform.

For each insurance contract, including any subsequent renewal, you have a right to request information regarding any remuneration that we may have received as a result of placing your insurance business.

14. Insurer Solvency

Whilst we will endeavour to place business with insurers who demonstrate an adequate level of financial solvency, and although their regulator requires them to maintain a minimum level of capital, we cannot guarantee the solvency of any insurer. We do not monitor insurer solvency on an ongoing basis, and shall not be liable for losses suffered by you in the event of the insolvency of an insurer.

15. Notification of incidents

It is essential that you notify us immediately of all incidents or allegations that may result in a claim against your insurance policy. You must do so whether you believe you are liable or not. Failure to do so may result in your insurer refusing to accept a claim. Any communication making allegations which could give rise to a claim which is received by you from any third party must be passed to us immediately, without acknowledgment. Only by providing prompt notification of incidents can your insurance company take steps to protect your interests.

16. Limitation of our Liability

You acknowledge and agree that you shall only be entitled to make a claim against us and not any individual employee or consultant. Our liability for losses suffered by you as a direct consequence of any negligent performance of our services shall be limited in all circumstances to £5,000,000 per claim if you purchased insurance from us for purposes NOT connected to any trade business or profession you hold, or limited in all circumstances to £10,000,000 if you DID purchase insurance in connection with any trade, business or profession you hold. In respect of any other claim arising out of our performance or non-performance of the services hereunder our liability shall be limited to the amount of commission and fees which we have received for arranging your insurance cover during the 12 months prior to such claim arising. We shall not be liable to you for any pure economic loss, loss of profit or loss of business, in each case whether direct, indirect or consequential, or any claims for consequential compensation whatsoever (such as that listed above and howsoever caused) which arise out of or in connection with our services or this agreement.

Nothing in this paragraph excludes or limits our liability for death or personal injury caused by our negligence, or for loss caused by our fraud, wilful misrepresentation or breach of regulatory obligations owed to you. You are welcome to contact us to discuss increasing the limitations of our liability and/or varying the exclusions set out above. Please note however that an additional charge and other terms may apply should we agree to amend this clause.

17. How to make a claim

If you wish to report a claim or potential claim, please call the number shown on the headed paper (or business card) that accompanies this document. Please quote your policy number or other reference we have given you. Your insurance documents will also provide details as to how to make a claim and whom to contact. For some policies, Insurers may give us authority to act on their behalf in settling claims. In these circumstances, and in recognition of a potential conflict of interest, we will seek your permission for us to deal with such a claim.

18. Payment of Premiums

In the absence of any alternative terms which we agree with you in writing (such as payment by instalments which we can arrange for you) our payment terms are as follows:

- new policies – full payment of premium and fees on or before the inception date of the policy;
- adjustments to existing policies – full payment of any additional premium and fees on or before the effective date of the change;
- renewals – full payment of premium and fees prior to the renewal date.

We normally accept payment by cash, cheque, debit or credit card or monthly instalment (please see section 19, below, for further information). **It is imperative that you comply with all payment terms and due dates set out in this paragraph or any such other terms and dates which we agree can be substituted for any of them. In the event that you fail to pay any premium or other fees due then your insurer may cancel your policy from the inception or renewal date and any claims submitted may be rejected.** The acceptance by us of any payment from you (including the encashment of cheques) does not constitute acceptance of any risk by insurers or any commitment by us to arrange insurance cover on your behalf. Accordingly you should not assume that insurance cover is in place until you have received written confirmation of cover in the form of a cover note, policy certificate or equivalent.

19. Payment of premium using Third Party Instalment facilities

If you elect to pay for your insurance premium using our third party supplier, Premium Credit Limited (PCL) of Premium Credit House, 60 East Street, Epsom, Surrey KT17 1HB, your details will be passed on to them. Any queries or questions about the service provided by PCL should in the first instance be directed to them on 0844 736 9836. Where your policy is paid via PCL and you elect to renew your cover (or we renew your cover pursuant to clause 20 of this agreement), we will again continue to pass your details to PCL. If any direct debit or other payment due in respect of the credit agreement you enter into with PCL to pay premiums is not met when presented for payment, or if you end the agreement with PCL, or if you do not enter into a credit agreement with PCL we will be informed of this by PCL. If you do not make other arrangements with us to pay your insurance premiums (please see clause 18 of this agreement) you acknowledge and agree that we may instruct on your behalf any relevant insurer to cancel the insurance and to collect any refund of premiums which may be made by the insurer, and if any money is owed to PCL under your credit agreement to pay it to PCL or if PCL have debited us with the amount outstanding, to use it to offset our costs. In assessing your application for credit PCL will search the public information that a credit reference agency holds about you. The credit reference agency will add details of the search and your application to their record about you whether or not your application proceeds. This and other information about you may be used to make credit decisions about you and undertake checks for the prevention and detection of money laundering. If your application for credit is accepted, PCL will send you a welcome pack detailing their full terms and conditions and commence collection of your instalments. A credit agreement will be included for you to sign and return. PCL may begin collecting your Direct Debits before you return your signed credit agreement to pay for any insurance cover you are receiving. If you have any questions about your instalments, contact PCL on 0844 736 9836. On renewal of your insurance policy we will continue to pass your details to PCL unless you instruct us otherwise. Please read carefully the pre-contractual explanations and the information regarding the cost of credit (including any representative examples). Together they provide important information in relation to the credit facility available from PCL. To use PCL's facility you must be resident in the UK, aged 18 years or over and hold a bank or building society current account which can support Direct Debit payments. Credit is available subject to status.

20. Important Information Relating to Renewal of Policies

Prior to the expiry of your policy where we will be inviting a renewal we (or your insurance company) will endeavour to send you details of the cost and terms to renew your policy. ***On occasions your renewal may be offered with a different insurer, however, we will notify you if this is the case in writing before the renewal date.*** This may happen in response to changes to your products, or the availability of new products, or in response to changes in your circumstances. In order to protect your interests relating to the risks/property you have insured, and in the event that we do not receive your instructions and payment prior to the date of renewal, we reserve the right (but shall have no obligation) to renew your policy and (in the case of direct debit/instalment payments) to continue to accept payment from you unless and until you specifically notify us or your insurance company in writing that you wish to cancel your policy. In circumstances where we have assumed (in the absence of instructions to the contrary) that renewal is required you may be liable to make payment to us and/or your insurance company.

21. How we hold your money

Premium(s) and any other monies we may hold on your behalf (for example refund premiums and claim cheques received from an insurer) will be held in Trust until such time as they are remitted by us to your insurance company/to you. This may be a Statutory or Non-Statutory Trust account operated in accordance with FCA regulations. However, some (but not all) of the insurance companies we deal with have agreed to deem any premiums that you pay to us as having been received directly by themselves. This improves your protection against financial loss in the event of our insolvency. Please note that this is not the case for all the insurance companies we deal with and where this added protection does apply it may only extend to premiums, and not to any claim payment, refund or other monies that we may from time to time hold on your behalf. Should such an arrangement be agreed with an insurer(s) we may not hold your funds in Trust because of this added protection.

We will take commission earned from insurance companies in connection with your insurances, from the Statutory or Non-Statutory Trust account, only after we have received your premium (or received it from a third party finance provider on your behalf). This may occur before payment of the premium to the insurance company and will take account of the Terms of Business we have agreed with the insurance companies.

Where we hold money in a non-statutory trust we may use the funds in that account as a short term credit facility to fund another client's premium before it is received from that other client and/or to pay claims and premium refunds to another

client before we receive the same from an insurer. The total funds held in the non-statutory trust account must always comply with the FCA regulations to ensure you are protected from loss.

Occasionally as part of the process of finding a policy that suits your requirements, we may pass your premium to another insurance intermediary who will also be required to hold your money in Trust until the premium is deemed to have been received by the relevant insurer. Between receiving any money from you and us passing it on to insurers (and vice versa), we may remove it from the Trust account in which it is held to another account in order to earn interest or other investment income from it. In such an event the account in which it is placed will be set-up with the same Trust protection as the account from which it is removed. To improve the efficiency of our business we may wish to transfer your policy between companies within the Towergate Partnership group of companies. In such circumstances we may transfer any money we hold on your behalf to a new bank account with the same trust protections as the existing account to ensure that the protection afforded to your money remains in place at all times. We will retain any interest or income accrued. By accepting these terms you consent to the way we will hold your premium (and/or other insurance related money) in accordance with this paragraph.

22. Confidentiality and Data Protection

All information about you of a sensitive or personal nature will be treated as private and confidential. We will however use and disclose the information we have about you in the course of arranging, placing and administering your insurance. This may involve passing information about you to insurers, other intermediaries, risk management assessors, uninsured loss recovery agencies and other third parties involved (directly or indirectly) in your insurance. We may also pass information about you to credit reference agencies and premium finance providers in connection with the assessment of your financial standing generally and, in particular, where you have requested a premium instalment plan – this may include details of your payment record with us. We may also pass information about you to other companies which are in or are associated with our group. We or they may also use the information we hold about you to provide you with information on other products and services we or they can offer and which we or they feel may be of interest to you. If you do not wish to receive marketing information from us or them, or for us to disclose information about you to other parties for marketing purposes, please contact us immediately. In the interests of security and to improve our service, telephone calls you make to us may be monitored and/or recorded.

23. No Waiver and Amendments

A failure at any time by us to enforce any right or obligation shall not be deemed to be a continuing waiver of such right or obligation. You should obtain any amendment or variation of these Terms requested by you in writing by our duly authorised officer or employee. We reserve the right to amend these Terms at any time during our appointment (including for the avoidance of doubt during the term of your insurance) by giving you not less than 7 days' notice. We may assign or delegate all or any part of these Terms and/or the services to a third party without your prior consent where this will not significantly reduce any protections given to you under these terms or under the regulatory system.

24. Governing Law

These Terms are governed by and construed in accordance with the Laws of England and Wales and the parties submit to the exclusive jurisdiction of the Courts of England and Wales.