



## Client Terms of Business Agreement

**PLEASE READ THIS DOCUMENT CAREFULLY.** It sets out the terms on which we agree to act for you and contains details of our regulatory and statutory responsibilities. It also contains details of certain responsibilities that you have to us and to Insurers. Please contact us immediately if there is anything in these terms of business which you do not understand or with which you disagree. **This is particularly important because you must give your informed consent to our operation of a non-statutory trust to hold client money and to the use of the data that you supply. In the absence of hearing from you to the contrary, such consent will be deemed by us to have been given by you.**

### *Who are we?*

Riva Insurance Brokers Limited is a Lloyd's Broker, located at 34 Lime Street, London, EC3M 7AT. Telephone: 0203 544 4860; Facsimile: 0203 544 5044; Email: [info@rivaib.com](mailto:info@rivaib.com); Website: [www.rivaib.com](http://www.rivaib.com)

We are authorised and regulated by the Financial Conduct Authority (FCA). Our FCA permitted business activities are advising, arranging, dealing as an agent and assisting in the administration and performance of general (non-investment) insurance contracts. Our FCA Reference number is 527657. These details can be checked on the FCA's register by visiting their website [www.fca.gov.uk/register](http://www.fca.gov.uk/register) or by contacting the FCA on 0845 606 1234.

### *About our Service*

Our normal service includes advising you on your insurance needs, arranging your insurance cover including at renewal helping you with, and processing, any changes you have to make. We can also assist you with making a claim. We normally offer a range of products and services from a limited number of insurance markets when responding to your insurance demands. You have the right to ask us to supply you with the name of each insurance undertaking with which we do or may do business. Once we have arranged cover on your behalf, we endeavour to maintain continuity with your insurers unless you request us to re-market your risks at subsequent renewals or, if for some reason, insurers are unwilling or unable to continue providing you with insurance.

We conduct all our business in English unless we have agreed with you otherwise. Sometimes we will correspond with you by electronic means unless you have told us that you do not wish to communicate with us in this way.

To access the insurance product that most suits your needs, we may use another intermediary to help place your business. We shall tell you if this has been the case.

We will advise you of any inability on our part to place your insurance.

### *Your responsibilities*

In order for us to fulfil our responsibilities to you, you must:

- Confirm all instructions to us in writing. Instructions by email must always be followed up by other means to ensure receipt and we will not accept responsibility for the failure to act upon email instructions not received by us
- Provide information that we request in a timely manner especially when the information is required by your insurers in order for them to fulfil their statutory obligations or where it is required by us to satisfy the Anti-Money Laundering regulations, including information or documentation to verify both your identity and permanent address
- Pay all invoices promptly and in full, or otherwise within the terms of credit agreed between us, with cleared funds and in the currency stipulated
- Act with utmost good faith in your dealings with insurers including when making a claim under your policy or otherwise whilst dealing with them through us
- Disclose all material information about the risks you are seeking to protect by purchasing insurance, before the contract is concluded or at any time when providing information to your insurers as required by the policy during the policy period including when making a claim under the policy
- If a completed proposal form is required, make sure it is completed accurately and truthfully
- Abide by the terms and conditions of this policy including those regarding the notification of claims or circumstances that might give rise to a claim as failure to comply may result in insurers refusing indemnity under the policy.

**NOTE:** All information and every fact or circumstance which is known to you (or which ought to be known to you in the ordinary course of your business) is material if it would influence the judgement of a prudent insurer in fixing the premium or determining whether, and on what terms, he would accept the risk. Failure to disclose material information may limit your rights under the policy or could invalidate the policy entirely. If in any doubt about something which may be material, you should disclose it.

### *Policy Documentation*

We will endeavour to ensure your policy documents are issued promptly. However, for some business, insurers may rely on alternative evidence of cover such as the content of our placing slip. In such circumstances a policy will not be issued, unless specifically requested.

You should read all insurance policy documents or other evidence of insurance sent to you. Please ensure you understand the policy terms, conditions and warranties in them and are able to follow their requirements exactly. If there is anything you do not understand, please inform us immediately so that we can explain it to you, as a breach of any terms, conditions or warranties may enable your insurer to terminate the policy from the date of that breach, and/or repudiate a claim under your policy.

Insurance documents should be kept in a safe place for as long as it is possible for a claim to be made on the policy.

### *Claims handling arrangements*

You should notify us at the above address as soon as possible of any claim or circumstances which may give rise to a claim. It will help if you are able to advise us of the Policy Number stated on the cover note or policy document. When acting on your behalf in relation to a claim, we shall use all reasonable endeavours, to handle all elements of the claim with due care, skill and diligence including forwarding to you promptly any payments received from the insurers. We will advise you promptly of the insurers' requirements, including the provision of information required to establish the nature and extent of the loss.

We will remit claims payments to you as soon as possible after they have been received on your behalf. You should note that in circumstances where one of more insurers underwriting your risks has become insolvent or is delaying payments, we cannot and do not accept liability for the uncollected amounts. However we will offer you every assistance to submit a claim for the unpaid amounts in liquidation, receivership, schemes of arrangement or similar processes.

### *Premium*

We will invoice you for the premium due plus any taxes which insurers are obliged to collect in respect of the contract of insurance.

Insurers may include a premium payment condition as a term of the insurance. Failure to comply with the terms of this clause may result in insurers issuing a notice of cancellation; and failure to pay insurers the premium in full before the notice period expires will enable them automatically to terminate their obligations under the policy. We will inform you of any such requirements and the relevant date(s).

In some cases, insurers may impose a **warranty** under the terms of which the premium must be paid to them by a certain date; failure to comply with the exact terms of the warranty will enable the insurer automatically to terminate its obligations under the policy. Again, we will inform you of any such requirements and the relevant dates(s).

Unless agreed in advance and specifically stated on our debit note to you, all premiums should be paid to us no later than 14 days from inception. This is to allow us sufficient time to pass cleared funds to insurers.

### *Policy cancellation*

In the event of cancellation of the insurance contract after inception, insurers may return a pro-rata premium to us. We shall return this to you after deduction of brokerage or commission which is deemed to be fully earned in such circumstances.

### *Security (Solvency of insurers or underwriting agencies)*

We may use UK or non-UK insurers or underwriting agencies where appropriate for a particular insurance risk. You should be aware that a different legal and regulatory regime may apply to non-UK insurers or underwriting agencies and your ability to enforce your legal rights or to seek compensation may be different to those applying to UK insurers. If you do not wish us to use a non-UK insurer or underwriting agency please advise us immediately.

Whilst we only seek insurance from insurers that meet our financial security criteria (unless we receive specific instructions from our clients to the contrary), we do not guarantee the solvency of any insurer or underwriting agency with which we place business. If an insurer or underwriting agency with which you have a policy becomes insolvent, you may still be liable for any unpaid premiums you owe it (unless we have collected those premiums from you under a risk transfer agreement – see below) and we may be unable to collect any return premiums of claims that might be due to you.

### *Our remuneration*

The method of remuneration for our services to our clients is normally either in the form of a proportion of the insurance contract premium, which is set by Underwriters and known as the commission or brokerage; or as a fee previously agreed with you or, by agreement with you, a combination of both. We do not take credit for commissions due until the premium has been received from you. Fees and commissions are deemed fully earned even if the insurance policy is amended, terminated, voided or cancelled during the policy period.

In addition, we may receive remuneration from insurers for services to them such as the operation of line slips or binding authorities; or which is based on the profitability of books of business or usage of certain schemes, or under work transfer arrangements.

We may sometimes act as reinsurance brokers to insurers in relation to policies we have placed with them for our clients. We are remunerated separately by insurers for this work as they are our client in such circumstances and because it is a separate contract.

In the handling of client money, we may also earn interest or benefit from foreign exchange differences.

You are entitled at any time to request information regarding any commission which we may have received as a result of placing your insurance business and, prior to the conclusion of each insurance contract, we will remind you of your right to be so advised.

### *Client money*

Client money is money of any currency that we receive and hold in the course of carrying on insurance mediation on behalf of our clients (including you) or which we treat as client money in accordance with the FCA client money rules. A copy of these rules is available on request or within the Client Assets Sourcebook (CASS) of the FCA Handbook.

### *Client money segregation (non-statutory trust client account)*

Client money will be segregated from our own and held in a non-statutory trust client account. This bank account is set up as a trust governed by FCA rules and held at RBS. We are entitled to and may use client money held in this account on behalf of one client to pay another client's premium before the premium is received from that other client, and to pay claims and premium refunds to another client before we received payment from the insurer. We may also maintain in our non-statutory trust client account, money that we hold for insurers subject to their agreement that any rights they have in respect of that money are subordinate to yours.

If we become insolvent, the terms of the trust dictate that clients will have a prior claim on the client money in the account according to the respective interests in the client money. The costs relating to the distribution of client money may have to be borne by the trust.

### *Premiums held for insurers (Risk Transfer)*

We have agreed with certain insurers to collect and hold premiums for you as agents of those insurers. Therefore once we have collected premiums from you, under the terms of our agreements with insurers those premiums are treated as being held by the insurers. It will not be client money but will be insurer money, held and managed in the same way as client money and in the same non-statutory trust client account. We will remit the premiums to insurers, after deduction of any commission due to us, in accordance with the terms of our agreements with insurers. Whilst this arrangement affords you extra protection in the event of our financial failure, it does mean that in the event of insurers insolvency we would not be permitted to return to you any premiums not remitted to

insurers at the date of their insolvency. Similarly, if we were holding claims monies due to you in such an eventuality, we would not be able to remit them to you.

### *Client money passed to another person*

In managing and/or arranging your insurance requirements, we may transfer client money to another insurance intermediary within the United Kingdom.

### *Our use of the data you provide*

The information we receive from you is used to provide you with quotations, to place insurance for managing our relationship with you and the relationship between you and your insurers. By accepting this agreement **you give your express consent** to the use of this information including sensitive information you provide (such as your detailed company information, financials, or your physical or mental health) for these purposes, which include verification of your identity and permanent place of residence via a registered Credit Reference Agency which may keep a record of that information, please be assured however that this does not affect your credit rating.

Arranging insurance may involve the transfer of personal information to Underwriters, agents or service providers, industry regulators and our auditors and they may use it for quoting, research and statistical analysis and crime prevention or to discharge legal requirements. Depending on the circumstances of the insurance, the disclosure of personal information to any of these entities may involve a transfer outside the jurisdiction of the European Economic Area. If you have supplied us with personal information relating to a third party, you must make them aware of how we use it as this is the only basis on which we can accept it from you.

Unless we are notified of any changes, we shall assume the personal and sensitive data we hold about our clients is correct and may use it to provide terms when policies fall due for renewal.

We are obliged to report to the National Criminal Intelligence Service any evidence or suspicion of money laundering at the first opportunity and we are prohibited from disclosing the making of any such report to you.

If you are an individual you have the right to see personal information about you that we hold in our records. We may make a charge for his service. If you wish to exercise this right, or have any related queries, you should write to us at the above address.

You may exercise your right to give notice to stop data being processed for marketing purposes by contacting us at any time. Please contact us by writing to us at the above address.

### *Conflicts of interests*

In the ordinary course of our business, we may become aware of circumstances that either risk compromising our duty to you or other client or both. Our *Conflicts of Interests Policy* is designed to help us recognise and manage such circumstances which may include ceasing to act for one or more parties. A copy of our policy is available on request.

### *Termination of authority*

Our authority to act on your behalf may be terminated by either of us giving 14 days notice to the other in writing, or as otherwise agreed, without penalty and will take effect from the date of receipt. Upon termination we shall:

- Be entitled to all fees and commissions that have been paid or are due to be paid for insurances already placed
- Upon receipt of all monies due to us and/or insurers, transfer all of your files to you or another party nominated by you unless you request us to continue certain work, including claims handling, and we are able to continue and agree to do so and have agreed appropriate additional remuneration with you.

### *Governing law*

This agreement shall be governed by the laws of England and Wales and the parties agree herewith that any dispute arising out of it shall be subject to the exclusive jurisdiction of the English Courts.

### *Complaints*

We aim to provide you with a high level of service at all times but if you are not satisfied, please contact us and we will respond in accordance with our complaints procedure, a copy of which is available on request.

To register a complaint, please contact our Compliance Manager in writing or by telephone, fax or email at the above address.

If we consider that your complaint is not with regard to our performance (for instance, if the complaint concerns the performance of your insurer), we will endeavour to put you in contact with an appropriate person to whom your complaint may be addressed.

If you are not satisfied with our decision, you may in certain circumstances refer the matter to the Financial Ombudsman Service. We will tell you whether you can refer the matter at the appropriate time. The Financial Ombudsman Service is at South Quay Plaza, 183 Marsh Wall, London E14 9SR, telephone 0845 080 1800, fax 020 7964 1001.

## *Compensation*

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of insurance, size of business and the circumstances of the claim. Further information about compensation scheme arrangements is available from the FSCS at 7<sup>th</sup> floor Lloyds Chambers, Portsoken Street, London E1 8BN, telephone 020 7892 7300, fax 020 7892 7301, email [enquiries@fccs.org.uk](mailto:enquiries@fccs.org.uk).