

OUR TERMS OF BUSINESS FOR SCHEME CLIENTS

OUR SERVICES

In our dealings with you we act on behalf of insurers at all times unless we advise you to the contrary.

Our services include:

- providing insurance cover for you after you have agreed the cost and our charges (or the basis of such costs and charges if they cannot be determined precisely in advance);
- supplying appropriate policy documentation; and
- assisting you with any claims, or changes that you wish to make, during the period of the policy.

In providing a quotation to you under one of our specialist schemes, we use a limited panel of insurers although we are not contractually obliged to do so. The identity of your insurer will be determined by the scheme in which you elect to participate. We do not compare insurance products from other insurers or provide advice or make recommendations. As part of assessing your needs, we will ask you questions to determine that you are eligible for inclusion in a particular scheme. If you are eligible, you can then choose whether or not to proceed with the product.

Treating you fairly

We always aim to treat you fairly. This means that we will always endeavour to:

- conduct our business with due skill, care and integrity
- manage any conflicts of interest by acting in accordance with our Conflicts of Interests Policy, a copy of which is available upon request
- deal with any complaint sympathetically and independently of the colleague to whom the complaint is directed;
- be transparent in the matter of our remuneration; and
- respect your confidentiality

About us

Howden Insurance Brokers Limited (HIB), whose registered office is Bevis Marks House, Bevis Marks, London EC3A 7JB is authorised and regulated by the Financial Services Authority (FSA). Our Firm Reference Number is 312584.

You may check this information on the FSA's Register by visiting www.fsa.gov.uk/register or by contacting them on 0845 606 1234.

Relationships

HIB is a subsidiary of Howden Broking Group which in turn is a wholly owned subsidiary of Hyperion Insurance Group Limited (HIG).

Indirect interests in excess of 20% in HIB are:

3i Group plc	27.0%
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HIG has indirect interests in the following insurance intermediaries with whom it may deal:

- (i) CFC Underwriting Limited (Underwriting Agency);
- (ii) Dual Corporate Risks Limited (Underwriting Agency);
- (iii) Dual International Underwriting Limited (Underwriting Agency); and
- (iv) J K Buckenham Limited (Reinsurance broker in run-off).

We will tell you if your insurer is an HIG subsidiary.

Scenta Limited, the Royal Institution of Chartered Surveyors and Howden Property Insurance Services Ltd are Introducer Appointed Representatives of HIB. Howden North American Property & Casualty Ltd is an Appointed Representative of Howden.

We set out in our "Our Services" Document provided to you the basis on which we will act as your agent and the extent to which we may act as the agent of any other party when dealing with you, including an insurer.

Your responsibilities

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

- (i) read the documentation we send you and let us know if there is anything that is unclear or that does not represent your requirements;
- (ii) comply with the terms and conditions of any insurance cover that we arrange for you, including those that specify: -
 - a date by which premium must be received by insurers;
 - when you must notify a loss, claim or circumstances that might give rise to a claim;
- (iii) provide information that we request in a timely manner;
- (iv) pay all invoices within 14 days with cleared funds and in the currency stipulated;
- (v) act with utmost good faith in your dealings with your insurers including whilst dealing with them through us;
- (vi) disclose all material information about the risks you are seeking to protect by purchasing insurance, before the contract is concluded or at any other time when providing information to your insurers as required by your insurance including during the period of cover; and
- (vii) complete any proposal form accurately and truthfully.

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 take the risk. Failure to disclose material information may limit your rights under the policy or invalidate it entirely. If in any doubt about something which may be material, you should disclose it.

Handling Premiums

When you pay us the premium due under the Insurance policy or when we hold any return premiums agreed and due to you, we hold such premiums on behalf of insurers and not on your behalf. This means that in the case of our insolvency, your position with regard to those premiums is protected insofar as the premiums will be deemed to have been received by the insurer.

However in the case of insolvency of the insurer we may be required to remit premiums we are holding to the Administrator or Liquidator even if the insurance policy is subsequently cancelled by them. We do not normally hold claims monies due to clients but if we were to, and the insurer became insolvent, we may be prevented from passing those claims monies received to clients.

Cancellation

You should note that once cover has commenced, there is no automatic entitlement to a return premium if you cancel the policy. Return premiums are entirely at the discretion of insurers and are usually only permitted in exceptional circumstances. If a return premium is agreed then it will be paid to you net of the commission already received by us. *Client TOBA Leeds August2006v1*

Our remuneration

Our remuneration is by way of commission payable by insurers out of the premium you pay and an annual fee payable by you, the amount of which will be specified when we provide you with a quotation. 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 your insurance policy is amended, terminated or cancelled during the policy period.

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

Document retention

It is our practice to retain information you supply and the insurance documents setting out your rights and obligations under a policy produced by us and where we receive them your insurers for business effected on your behalf for a reasonable period, which will normally be for at least 15 years (or such longer period as may be required by law), either electronically or in paper form. Thereafter we may destroy documents without further reference to you unless we have agreed that we will continue to store them.

Financial Services Compensation Scheme

We are a member of the FSCS and in the event of our default you may be covered by this scheme. Whether or not you are covered will depend on a number of factors, such as the type of business, nature of the claim and whether you are an 'eligible claimant'. Insurance advising and arranging is covered for 100% of the first £2,000 and 90% of the remainder of the claim. Further information concerning the conditions governing compensation and the formalities that must be completed to obtain compensation are obtainable from the FSCS.

Market security

Although we take reasonable steps to assess the financial standing of insurers with whom we place business (most usually by considering the guidance provided by the rating agencies established for that purpose) it is your responsibility to satisfy yourself that any insurer with whom we may seek to arrange insurance on your behalf is acceptable to you.

We do not guarantee the solvency or continuing solvency of any insurer. In particular, you should be aware that the financial position of an insurer can change once your insurance has been placed with them and this may have an effect long after your insurance has expired if you have outstanding claims with them.

Complaints

We take all complaints seriously and aim to deal with them speedily, sympathetically and independently in accordance with our internal procedures, a copy of which is available on request. In the first instance you should call the Compliance Officer on +44 (0)207 623 3806.

Or write to:

Howden
1200 Century Way
Thorpe Park Business Park
Colton
Leeds
LS15 8ZA

If your turnover is less than £1,000,000 you may be entitled to refer the any complaint against us to the Financial Ombudsman Service. We will give you full details of how to contact the service at the appropriate time.

Termination of this agreement

This agreement may be terminated by either party giving 30 days' notice to the other at their last known address. 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
- 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

Use of information

You consent to the use of all personal information held by us in relation to you to provide you with insurance cover and/or premium installment facilities; to make any changes you require; and to facilitate renewal of your policy. You also consent to the use of this information by our auditors, our regulators and for crime prevention.

Important

This document sets out how we conduct business with you and contains information that our regulator requires us to give to you. You should read it carefully and if there is anything you do not understand or there is anything with which you disagree, you should contact us immediately.

These terms of business are governed by and construed in accordance with English law and both you and we agree to submit to the jurisdiction of the English courts if the occasion arises.

We conduct our business with you 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.