



Milne Friend and Partners

Commercial Insurance Brokers and Independent Financial Advisers

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INSURANCE SERVICES TERMS OF BUSINESS

This document is effective from 14 January 2005. 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

Milne Friend and Partners is an independent insurance broker, authorised and regulated by the Financial Services Authority (FSA) to transact general insurance business. Our FSA Registration number is 120848. 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 Institute of Insurance Brokers.

OUR PRODUCTS AND SERVICES

We usually select products from a wide range of insurers. 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.

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.

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

Unless we tell you otherwise when you take out or renew a policy with us we make no charges in addition to the insurer's premium. In the event of a policy being cancelled mid term, and not replaced by another policy, or a return of premium allowed following a reduction in the level of cover we reserve the right to retain the commission earned on the original transaction.

METHODS OF PAYMENT

We accept payments by cash, cheque or by bank transfer. 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.

CLIENT MONEY

Client money is money of any currency that we receive and hold in the course of carrying out insurance mediation on behalf of clients. For certain insurers, our agency agreement with them allows us to hold the premiums you pay as agent of the insurer, but where an insurer does not allow us to act as agent, we will hold your premiums as client money in a statutory trust account in accordance with the FSA client assets sourcebook. Holding your premiums in a statutory trust account means we will not use your money to pay another clients premium to insurers. Any interest or exchanged gains earned on client money held by us will be retained by us. We may transfer client money to another broker for the purpose of effecting the transaction where we have used another broker to place the insurance on your behalf.

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. With a few exceptions, for example information requested by a court, a regulatory body, or information which is already in the public domain, we will not release information to any other party without your consent. We may also use information we hold about clients to provide them with information about other products and services which we feel may be appropriate to them. 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. We may keep certain documents while we are awaiting full payment of premiums, fees or administration charges, or if you ask us to do so. In these circumstances we will ensure that you receive full details of your insurance cover and provide you with any documents which are required by law.

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.

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 the 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. 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 90% 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.

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. Should you decide to exercise a 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 or your insurers.

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.