

## Terms of Business Agreement (TOBA) Commercial Customers

Square Mile Broking Ltd of Southbridge House, Southbridge Place, Croydon, Surrey, CR0 4HA, are authorised and regulated by the Financial Services Authority (FSA). The FSA is the independent watchdog that regulates financial services. Our permitted business is advising on, arranging, dealing in and administering non-investment insurance contracts. For clarification you can visit the FSA's register at [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register) or by contacting the FSA on 0845 606 1234. Our FSA register number is 473138.

**Please read this document carefully** - It sets out the terms on which we agree to act for our clients and contains details of our regulatory and statutory responsibilities. Please contact us immediately if there is anything in these terms of business which you do not understand or with which you may disagree.

**Status** – Square Mile Broking Ltd is an Independent Insurance Broker with 100% of shares being owned by working Directors. We act as agents for our clients and are subject to the laws of agency. However, in certain circumstances, we may also owe certain duties of care to other parties. At no time will any such other duty of care override our primary obligation to you, our customer.

**Products and Services** - We offer products and services from a range of composite insurers and Lloyd's syndicates. A list of insurers we deal with is available on request. We will advise and make a recommendation for your business after we have assessed your needs. This will include the type of cover you seek together with the costs.

Certain products and services for specialist risks or more bespoke requirements may have been specifically selected from one supplier to provide a cost-effective solution to meet our customer's needs.

Upon receipt of your instructions, we will place your insurance with insurers. Your instructions should be provided to us in writing by letter, facsimile or e-mail, in order to avoid any misunderstandings about the cover which you may have requested. We will only accept verbal instructions if immediate cover is required, but this must be confirmed in writing at your earliest opportunity. Do not assume any cover until we have confirmed to you in writing that it has been placed.

**Insurers / Suppliers** - Our selection of insurers will take into account their financial standing and our understanding of the market conditions, but our assessment is necessarily subjective and we cannot guarantee the future ability of any insurer to meet policyholder obligations. If you have any concerns about security please contact us immediately to discuss the matter. We may also invite other FSA authorised brokers to quote on the insurances of our clients but only in circumstances where it is deemed to be in the client's best interests.

**Duty of Disclosure** - You must disclose to us and insurers, before the contract is concluded, any fact or circumstance which is known to you or which ought to be known by you and which is material to the risk. A fact or circumstance is material if it would influence the judgement of a prudent insurer in fixing the premium or determining whether he should take the risk. If you are unclear what constitutes this then please raise any queries with us prior to any contract commencing. Should you not act with the utmost good faith or fail to disclose any material fact or circumstance to insurers, insurers may avoid the contract.

It is your responsibility to provide complete and accurate information to both us and insurers when you take out your insurance policy, throughout the duration of the policy and when you renew your insurance. It is important that all the statements you make on proposal and claim forms together with any other documentation are full and accurate.

If you are unsure about any matter you should contact us for guidance. All answers on the forms and any other statements made to us by you are your responsibility. We are not empowered to amend or enter any additional

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information on any form. Should amendments be required we will return the form to you so that you have the opportunity to correct any amendment or entry if it is not correct.

**Procedures** - Prior to the conclusion of the contract you will be given a statement of demands and needs, together with sufficient information about the insurance to enable you to make a decision as to the suitability. You should read this carefully. It will set out your demands and needs and confirm whether the contract has been personally recommended and, if so, the reasons for the recommendation.

We will advise you of premiums due from you to insurers by means of a debit note. This will be sent to you within seven days of the contract being concluded. As soon as cover is provided then the premium is due. Our terms of trade are shown on the cover note and debit note and we require payment or the completion of an acceptable credit agreement form and direct debit mandate within 7 days, to enable us to pay your insurers. Failure to meet the payment date may result in the automatic termination of your policy.

Insurers may impose a specific premium payment term in certain circumstances. This date together with any penalties will be clearly shown.

With certain classes of insurance a completed proposal form is required. We will be pleased to provide any advice and assistance with the completion of proposal forms, but must remind you that we are unable to complete the forms on your behalf as the completion of proposal form is your duty as policyholder.

We will provide full policy documentation as soon as possible after conclusion of the contract. On receiving your documentation, we would ask you to advise us immediately if any of the documentation does not meet with your approval.

We will endeavour to provide you with renewal terms in good time before expiry of the policy, or notify you that renewal is not being invited. Attached to the renewal terms will be a statement of any changes to the terms of the policy, and changes to directive required information (information required under EU directives), statement of price and information about cancellation. You will be given an explanation of any changes, where necessary and in good time, which may appear in your policy and you will be advised of your right to request a new policy statement.

Should the Insurer require any mid term changes to your policy they will be notified to you in good time, prior to the change taking effect.

**Documentation** - We will retain copy documents for business placed on your behalf in electronic or paper format for at least 3 years. For some types of insurance cover it is possible that a claim may be made under a policy after its expiry date and it is therefore important that you keep such documentation safely.

We may retain certain documents such as your insurance policy or certificates whilst we are awaiting payment of premiums and administrative charges. In these circumstances we will ensure that you receive full details of your insurance cover and will provide documents which you are required to have by Law.

**Claims** - It is imperative that claims, or circumstances which may give rise to a claim, are notified to us and/or the underwriting Insurer immediately. All relevant policies describe in detail the procedures and conditions in relation to making a claim.

For as long as you remain a customer of Square Mile Broking Ltd, we will provide an efficient claims handling service.

Should you cease to be a customer for whatever reason, but wish us to handle a claim on your behalf we reserve the right to charge a fee for our services should we agree to handle such claims. These fees will be advised and agreed with you before we proceed with the claims process.

**Our Remuneration** - We are normally remunerated by brokerage, which is a percentage of the insurance premium paid by you and allowed by the Insurer with whom the insurance is placed. This will include additional insurance premiums which are due by virtue of changes to your requirements during the policy term, such as mid term adjustments or as part of the policy conditions, such as wages and turnover year-end declarations.

Alternatively, we may act on your behalf for a fee, which will be disclosed to you before the policy is concluded. This may be in addition to any brokerage payable. Where we act for a fee, unless otherwise agreed with you, this will normally relate to the initial placing of the insurance and subsequent maintenance of the policy until renewal. Should you request a material mid term adjustment or series of adjustments to your insurance we may seek to negotiate an additional fee with you at the time.

In addition to client fees and/or brokerage payments we may receive remuneration by way of administrative fees or commissions for services provided to insurers. We may also receive commissions from Insurers with whom we have arranged facilities for ease of placement or certainty of market. These commissions may be contingent upon the profitability of a portfolio of business. In all such circumstances, our duty to act in the best possible interests of our customers remains paramount.

We will, if requested, disclose the amount of any commission being earned. If the exact amount cannot be confirmed, the basis for calculating such figures will be disclosed. Once our remuneration has been earned, in the event that the insurance is cancelled after inception, or where a return premium is due from Insurers, our fees and/or brokerage will not usually be returnable. In the circumstances where you cancel the policy within the cancellation period outlined within the Insurance Policy Wording we will return the full amount of premium and commission.

**Client Money** - Prior to your premium being forwarded to the insurer, and for your protection, we either hold your money as agent of the insurer, or hold it in a client bank account on trust for you in a statutory trust account with HSBC Bank PLC. The aim of the statutory trust is to protect you in the event of the failure of our firm, the failure of the bank or a third party at which the money may be held. In such a circumstance, the firm's general creditors should not be able to make a claim on client money, as it will not form part of this firm's property.

We are not entitled to use client money held on behalf of one client to pay another client's premium before the premium is received from the other client. We may transfer client money to another FSA regulated broker for the purpose of effecting a transaction on your behalf through that broker. The fact that we will hold money on trust gives rise to fiduciary duties, which will be owed to you until the client money reaches the insurer or product provider.

Any interest earned on client money will be retained by Square Mile Broking Ltd.

**Our Agreement** - Our agreement will continue until terminated by one of us giving 7 days notice in writing to the other. In the event that the insurance is cancelled after inception, our fees and/or brokerage will not usually be returnable.

**Financial Services Compensation Scheme** - 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. For compulsory classes of insurance, insurance advising and arranging is covered for 100% of the claim, without any upper limit. Full and further details are available from the FSCS or at [www.fscs.org.uk](http://www.fscs.org.uk).

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**Data Protection and Confidentiality** - All information provided by you to Square Mile Broking Ltd will be kept confidential between us and your insurers. There may be circumstances where we are required to provide information by law, to comply with a subpoena &/or compelled by law to comply with the Data Protection Act 1998 &/or any ensuing statutory enactments. We have notified the Office of the Information Commissioner of our data processing activities: our registration number is Z1165353.

We may pass information about you to credit reference agencies for the purposes of arranging payment by instalments, and may also pass to them details of your payment record to us.

From time to time we may disclose information provided by you to other partners of Square Mile Broking Ltd. This information may be used to advise you of our, or their, services which we believe may be of interest to you. If you prefer us not to take this course of action or receive further information, please confirm in writing to Square Mile Broking Ltd, Southbridge House, Southbridge Place, Croydon, Surrey, CR0 4HA

Under the Data Protection Act 1998, you are entitled to see personal information about you, which we hold in our records and we will provide copies of this information upon request. We reserve the right to charge a fee for this service.

**Money Laundering / Proceeds of Crime Act** - United Kingdom money laundering regulations require us to obtain evidence of the identity of clients for whom we act at the start of a business relationship. For companies, evidence of identity will usually comprise a copy of certificate of incorporation, a list of directors, a list of shareholders and the registered address.

We are obliged to report to the Serious and Organised Crime Agency (SOCA) any evidence or suspicion of money laundering at the first opportunity and we are prohibited from disclosing such a report.

If you require a payment to be made to a third party then you must confirm the required payees name and details and provide a brief explanation for your request.

**Governing Law** - The 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.

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