

## TERMS OF BUSINESS

This Terms of Business Agreement ('Agreement') is effective from 04 August 2017 and supersedes any similar agreements previously issued by us. 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 read it carefully.**

Please contact us immediately if there is anything in this Agreement which you do not understand or with which you disagree.

### ABOUT US

Hill Aviation Insurance Services Limited is a specialist aviation insurance broker, authorised and regulated by the Financial Conduct Authority (FCA) to transact general insurance business. Our Financial Services Register number is 311023. You can check this information on the Financial Services Register by visiting the FCA's website at <https://register.fca.org.uk/> or by contacting the FCA on 0800 111 6768 (freephone) or 0300 500 8082.

### CONTACT DETAILS

Our address and contact details are:

Unit 1A Sycamore Business Park, Copt Hewick, Ripon, North Yorkshire, HG4 5DF

Website: [hillaviation.com](http://hillaviation.com), Telephone: 01765-690777, Facsimile: 01765-690544

Email: [hillaviation@btconnect.com](mailto:hillaviation@btconnect.com)

### OUR PRODUCTS AND SERVICES

For personal insurances we select products on the following basis:

- For aircraft, gliders, motorgliders and balloons, we normally offer products from Allianz Global Corporate & Specialty SE but can offer a limited range of other insurers if also requested.
- For all other aviation and aviation related insurances we select products from a limited range of insurers.

If we ever offer you a personal insurance product which falls outside the above selection criteria, we will tell you before you agree to take out or renew that particular policy.

For business insurances we will inform you at inception and at every renewal how we made our product selection and the capacity in which we are acting.

Unless otherwise advised, we will act as your agent when providing the following services (the 'Services'):

- Advising you and making a recommendation on your risk exposure and insurance needs
- Arranging cover as instructed
- Help with on-going changes
- Assistance with claims made on insurance policies we have arranged

Unless you tell us otherwise we will act on the understanding that we have your authority to agree to insurance policy wordings on your behalf.

For certain types of insurance we are authorised to issue policy documentation and/or certificates on behalf of the insurers, in which case we would be acting as agent of the insurer for this part of the transaction.

### METHODS OF COMMUNICATION

We will normally communicate with you by post, telephone and, where available, email, in addition to any meetings we may have with you. Please let us know if you would prefer not to receive communications by any particular medium.

### 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.

## **RISK INFORMATION**

The terms of any insurance that we arrange on your behalf will be based upon the information provided by you to us or to your insurers.

If you are a consumer (an individual buying insurance wholly or mainly for purposes unrelated to your trade, business or profession) you must take reasonable care to answer all questions put to you about your proposed insurance fully, honestly and to the best of your knowledge. If you do not understand the meaning of any question, or if you do not know the answer, it is vital that you tell us. Once cover has been arranged, you must immediately notify us or your insurer of any changes to the information that has been previously provided. The most serious consequence of failing to provide full and accurate information before you take out insurance, or when your circumstances change, could be the invalidation of your cover. In that instance it would mean that a claim will be rejected.

If you are a commercial customer, or someone buying insurance mainly for purposes related to your trade, business or profession, unless we advise you otherwise, you have a duty to give a 'fair presentation' of the risk to insurers. This means that you must clearly disclose every material circumstance which you, your senior management or persons responsible for arranging your insurance, know or ought to know following a reasonable search, before your cover is placed, when it is renewed and at any time that it is varied. Your policy wording may also stipulate that this duty continues throughout the period of insurance cover. A material circumstance is one that may influence an insurer's judgement over whether to take the risk and, if so, on what terms. If you are in any doubt as to whether a circumstance is material you are advised to disclose it. Failure to disclose a material circumstance may entitle an insurer to impose different terms on your cover or reduce the amount of a claim payable, and in some cases your cover could be invalidated which would mean that a claim would not be paid.

You are advised to keep copies of any correspondence you send to us or direct to your insurers.

## **OUR REMUNERATION**

Our remuneration will be either a fee, as agreed with you, or brokerage, which is a percentage of the insurance premium paid by you and allowed to us by the insurer with whom the insurance policy is placed. Our entitlement to brokerage arises as soon as you have given instructions for an insurance policy to commence or be renewed.

In the ordinary course of our business we sometimes earn income in the form of management/administrative expenses allowed to us by insurers to cover costs incurred in carrying out work on their behalf and in the form of volume, growth or profitability payments.

We may sometimes also earn income for the provision of other services to you, which will be agreed with you on an individual basis.

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

## **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.

We also reserve the right to make an administration charge of £10 for issuing the following documentation:

- Replacement policies or certificates in the event of the loss or misappropriation of the original documents
- Copy policies or certificates requested by other parties, such as solicitors or banks

In the event of a policy being cancelled mid-term, and not replaced by another policy, we reserve the right to retain the brokerage earned on the original transaction.

## **METHODS OF PAYMENT**

We normally accept payments by cheque, bank transfer or credit/debit card.

We will give full information about premium payment options when we provide quotations and at renewal.

## **PERSONAL CREDIT CHECKS**

When you ask us to obtain quotations for personal insurance products, you should be aware that some of the insurers we approach will carry out personal credit checks as part of the underwriting process. This means they will review information held by a credit reference agency. Whilst a record of the search will be added to your credit record, we are advised this will not have any detrimental effect on your credit rating or history.

## **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.

## **HANDLING CLIENT AND INSURER MONEY**

We hold all client money collected for onward transmission to insurers and return premiums (and claims payments) due to clients from insurers in a Client Bank Account under a Statutory Trust in accordance with FCA rules.

For the purpose of some transactions, please note that client money may pass through other authorised intermediaries before the insurer receives it.

Where we collect or hold money as agent of the insurer we may also hold that money in the same Client Bank Account.

Client money will be deposited with one or more approved banks, a list of which is available on request. Please notify us immediately if you do not wish us to use any bank or banks on this list.

Interest will not be paid to clients in respect of money held in Client Bank Accounts.

## **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 the data we hold about you to provide you with information about products and services which we feel are appropriate, including making contact with you after you have lapsed or cancelled a policy that we arranged on your behalf. You are requested to let us know if you do not want to receive this information.

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.

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 any 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 which are sent to us by post, electronic mail/messaging services or facsimile, or left on voicemail, 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 at all due to failures in the postal, electronic or telecommunications systems.

## **DOCUMENTATION**

Our aim is to produce documentation and issue correspondence in a clear and understandable format. In the event that clarification is required, we would ask you to let us know immediately.

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.

All policies contain conditions and exclusions and some contain warranties and excesses. It is your responsibility to examine the document to familiarise yourself with these. A breach of a policy condition may result in non-payment of a claim if compliance with that condition would have reduced the risk of the loss which actually occurred. Breach of a warranty may suspend the insurer's liability to pay any claims directly related to such breach, until such time that the breach has been remedied.

We recommend that you keep policy documents for as long as a claim is possible under the policy. If your policy includes Employers' Liability insurance, it is prudent to keep a copy of all Employers' Liability Certificates issued.

## **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**

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, may prejudice your cover.

If we act on behalf of an insurer in negotiating and settling claims, we will inform you that we will be acting on behalf of the insurer, not you, at the point of the claim.

You should be aware that a claim arising after renewal of the policy has been invited, may affect the assessment and acceptance of renewal by your insurers.

## **CONFLICTS OF INTEREST**

If we become aware of a situation which gives rise to an 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**

If you wish to register a complaint or request a copy of our complaints procedures please contact us:

- In writing, addressed to; Managing Director, Hill Aviation Insurance Services Limited, Unit 1A Sycamore Business Park, Copt Hewick, Ripon, North Yorkshire, HG4 5DF
- By telephone to 01765-690777
- By email to [hillaviation@btconnect.com](mailto:hillaviation@btconnect.com)

If you cannot settle your complaint with us you may be entitled to refer it to the Financial Ombudsman Service (FOS). You can find out more about this by visiting the FOS website at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

## **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 insurance transacted and the circumstances of your claim for compensation.

Further details about compensation scheme arrangements are available from the FSCS.

## **TERMINATION**

Either party may terminate this Agreement with 14 days' written notice or as otherwise agreed. Notice of this termination must be given in writing and, unless an end date has been agreed, the 14 days' notice will be measured from the date of receipt of the communication.

An instruction to lapse or cancel an insurance policy that we have arranged on your behalf will not result in termination of this Agreement unless you also give written notice of your intention to terminate this Agreement. Likewise, if we give you notice of our intention to terminate this Agreement, unless we advise you otherwise, it will not result in cancellation of a policy or policies that we have arranged on your behalf.

If we serve notice of termination, it is our policy not to give reasons for such notice, or to enter into correspondence about such reasons.

Regardless of which party serves notice, termination is without prejudice to any transactions already initiated unless otherwise agreed in writing. You will be liable to pay for any transactions or adjustments effective prior to termination and we will be entitled to retain any and all fees or brokerage payable in relation to policies placed by us prior to the date of termination.

If, prior to termination, we are assisting you to make a claim on an insurance policy that we have arranged, this service will continue until the claim is resolved.

When this Agreement is terminated, we will send you any documentation and information to which you are entitled, on request.

We may be obliged to retain your personal data after termination of this Agreement (please see 'Confidentiality'). You may ask for details of our Data Retention Policy.

## **LIMITATION OF LIABILITY**

Unless otherwise agreed in writing between us, our liability to you in connection with the Services described in this Agreement is limited to a total of £2,000,000. Furthermore, we will only accept liability for wrongdoings which are due to breach of contract, negligence, breach of professional duty or breach of trust.

We do not accept liability for losses which: are contributed to by your own negligence; arise from your failure to provide information which we have reasonably requested about your insurance risks; or which are not a reasonably foreseeable consequence of our actions.

Notwithstanding the above, we place no restriction on our liability to you for: death or personal injury caused by our negligence; fraud or fraudulent misrepresentation; or a breach of our statutory or regulatory obligations.

## **CANCELLATION RIGHT**

If you take out a personal policy through us which lasts for more than one calendar month, you may 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 in separate documentation.

Should you decide to exercise the 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 at our normal address or your insurers at the address shown on your policy.

## **CANCELLATION OF POLICIES**

If you wish to cancel your policy in circumstances other than as described in the section headed Cancellation Right, you may be entitled to a refund of part of your premium as long as no claims have occurred during the time you have been on cover. The refund due may not necessarily be proportionate to the remaining period of cover. Additionally you should note the following:

- Insurers do not normally allow refunds in cases where a minimum and deposit premium has been charged
- Cancellation of a direct debit does not necessarily cancel a policy and any balance of premium owing may be requested by the insurers.

When your policy ends or is cancelled, we will send you any documentation and information to which you are entitled on request.

## **LAW AND JURISDICTION**

This Agreement 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 this Agreement we both irrevocably submit to the exclusive jurisdiction of the English courts.

**YOU ARE DEEMED TO HAVE ACCEPTED THIS AGREEMENT AND GIVE YOUR CONSENT FOR US TO OPERATE IN THE WAYS DESCRIBED, UNLESS YOU ADVISE US OTHERWISE WITHIN SEVEN DAYS OF RECEIPT.**