

## **THE INSURANCE FACTORY - TERMS OF BUSINESS AGREEMENT**

Welcome to The Insurance Factory. We are an independent intermediary owned by the Markerstudy Group who also own Markerstudy Insurance Company Ltd and Zenith Insurance Plc.

We are domiciled in the United Kingdom and based at 1529 Stratford Road, Hall Green, Birmingham B28 9JA.

You can contact us at the above address, by e-mail at [talk2us@insurancefactory.co.uk](mailto:talk2us@insurancefactory.co.uk) or by telephone on 0844 557 1925

We are authorised and regulated by the Financial Services Authority and operate under the following brands:

**The Insurance Factory is a trading name of Insurance Factory Limited. Authorised and regulated by the Financial Services Authority [FSA No. 306164]. Registered in England and Wales [No. 02982445]. Registered Office: 108-112 Main Road, Sundridge, Sevenoaks, Kent TN14 6ES.**

**Insurance Shop is a trading name of Insurance Factory Limited. Authorised and regulated by the Financial Services Authority [FSA No. 306164]. Registered in England and Wales [No. 02982445]. Registered Office: 108-112 Main Road, Sundridge, Sevenoaks, Kent TN14 6ES.**

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If you wish to confirm any of the above you can check the FSA register by visiting their website [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register) or by contacting them direct on 0845 606 1234.

We are also covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our obligations. Further information about compensation scheme arrangements is available on the FSCS website [www.fscs.org.uk](http://www.fscs.org.uk) or by writing to the FSCS at 7<sup>th</sup> Floor, Lloyd's Chambers, Portoken Street, London, E1 8BN.

## **OUR SERVICES**

We are an insurance broker who arranges policies through a panel of leading insurers and intermediaries. Our services include arranging insurance for motor, household, equine, travel and commercial package policies. We advise you on your insurance needs, arrange your insurance cover and help you with ongoing changes. We can also assist you with making a claim.

A detailed description of any insurance policy we arrange on your behalf will be contained in a Policy Summary which will be made available to you as part of the process of you obtaining a quotation from us. We can also supply you with a specimen copy of the insurance policy should you request this.

Quotations are based on the information provided by you at the time of the quotation and are valid for 30 days from that date. All premiums quoted include the government's Insurance Premium Tax.

We only provide motor and home insurance for vehicles and properties based in the United Kingdom and all premium transactions are in pounds sterling.

You must pay your premium before we can arrange cover for you. This may be either the full premium due or a deposit amount if we have agreed that the premium may be paid by instalments.

You will be provided with renewal terms in good time prior to the expiry date of the policy, or notified if renewal is not being invited.

### **Provision of documentation by us**

We will endeavour to post your policy booklet and supporting documentation on the day you arrange cover through us. In the event of your purchase being made outside of normal office hours your documentation will be posted on the next working day.

## **YOUR RESPONSIBILITIES**

### **Disclosure of Information**

It is your responsibility to provide complete and accurate information to your insurer when you take out your insurance policy and throughout the lifetime of the policy and when you renew your insurance. Any information which might influence your insurer to accept, amend or decline your insurance proposal or renewal must be disclosed, and any changes in circumstances which may affect the service provided by us or your insurer should also be disclosed immediately. If you are unsure about disclosing any matter please contact us for guidance. Failure to disclose any material information to your insurers or any inaccuracies in the information provided could invalidate your insurance cover, lead to cancellation of your policy with associated cancellation charges, and could mean that part or all of your claim may not be paid. Any advice we give will be based on the details you provide. Always keep copies of correspondence sent or received concerning your insurance.

You are reminded that it is an offence under the Road Traffic Act to make any false statements or withhold any relevant information to obtain a Certificate of Motor Insurance. Please note that under the Rehabilitation of Offenders Act you are not required to disclose convictions regarded as "spent".

### **Proposal forms**

It is important that you ensure that all statements you make on a proposal form are full and accurate. All answers on proposal forms and statements made to your insurers, either in your handwriting or pre-printed, are your responsibility. When a policy is taken out we will send you a copy of your proposal form or statement of fact which shows the information you have supplied. If you ask us to amend any answers, or add additional information we will send you a copy of the revisions.

You have the opportunity to correct amendments. Please feel free to ask us for assistance with completion of your proposal form.

### **Provision of documentation by you**

If you are required to provide supporting documentation to your insurer it is critical that this information is provided quickly. An insurer will cancel a policy if supporting information is not supplied on a timely basis. We strongly recommend you use Recorded Delivery or other trackable postage method to send this information to us. In the event that important information is not provided, we will attempt to advise you by telephone, will write to you by standard mail or e-mail and finally by Recorded Delivery mail before your policy is terminated.

### **No Claims Bonus**

If you are unable to supply your previous insurer's name, policy number and expiry date on the day your policy is arranged you must provide written evidence within 30 days. This previous policy must not have expired more than 2 years before the inception of your new policy with us and any no claims bonus earned cannot be used simultaneously on more than one vehicle at a time. Failure to provide evidence within this period will result in the insurers issuing the policy as gross premium (i.e. without the benefit of no claims discount) or cancelling the policy. You will immediately be responsible for the balance of the premium payable and any subsequent cancellation will be calculated on the gross premium and subject to short period rates and charges as outlined in the cancellation policy.

### **Understanding your policy terms**

It is important that you read your policy carefully. The document, schedule and any Certificate of Insurance are the basis of the cover you have purchased. Please make sure that you understand them and are able to follow their requirements. If you are in any doubt about the terms and conditions of the policy then contact us for clarification. Breach of any terms, conditions or warranties may result in the termination of your policy with associated charges or may invalidate a claim.

### **Purchasing your policy online**

If you have purchased your policy online it is essential that you ensure that all information you provide is accurate as we depend solely on the information you provide to set up your policy. Any non disclosure or inaccuracy may lead to cancellation of your policy or non payment of a claim. It is also essential to read and fully understand the terms of your policy when the documents are sent in case any important information has been overlooked online. We can then help you resolve any issues you have with the policy within the first fourteen days when the policy can easily be cancelled if necessary. Please contact us if you have any concerns about the information you have provided or the terms and conditions of a policy you have set up online.

To assist with your purchase a summary of policy terms and conditions (the 'Policy Summary') is accessible from our online system.

### **Road Traffic Act**

Customers are reminded that it is their personal responsibility under Road Traffic Act legislation to ensure that before using or permitting the use of a vehicle on the public highway they are in

possession of a current valid Certificate of Insurance or cover note. You must immediately notify the Company if your Certificate of Insurance or cover note expires.

## **OUR LEGAL OBLIGATIONS**

### **Data Protection Act**

Any information we hold about you, whether on our computer system or on paper files, will be treated as private and confidential. We will use and disclose the information we have in the normal course of administering or arranging cover on your insurance policy. We may also, on occasion, use the details we hold about you within our associated companies or pass them to Third Parties so that we may telephone, email or write to you to tell you of new products and services which we think may interest you. If you do not wish to receive any marketing information please write to us and we will update our records accordingly. Under the Data Protection Act 1998 you have the right to access any personal information we hold about you in our records. If you have any queries with respect to data confidentiality and data protection please contact us. Calls you make to our offices may be recorded.

### **Motor and Home Insurance Anti-Fraud registers**

Insurers share information with each other via the Claims and Underwriting Exchange Register and the Motor Insurance Anti-Fraud and Theft Register to aid the prevention of fraudulent claims. In the event of a claim, the information you supply on the claim form, together with any other information relating to the claim will be put on the registers.

### **Motor Insurance Information Centre (MIIC)**

Insurers are legally required to provide details of motor insurance policies to the MIIC. The information describing your insurance cover will be added to the Motor Insurance Database (MID) to which the police and other government agencies have access. This helps the pursuance of claims following accidents and aids detection of those who are in contravention of the law by not taking out insurance.

As part of the government's Continuous Insurance Enforcement initiative it is now a legal offence to keep a vehicle without insurance unless you have notified the DVLA that your vehicle is being kept off the road and have a valid Statutory Off Road Notification (SORN).

It is vital that the MID holds your correct registration number. If it is incorrectly shown on the MID you are at risk of having your vehicle seized by the Police. You can check that your correct registration number details are shown on the MID at [www.askmid.com](http://www.askmid.com)

### **Credit Reference Agencies**

To determine premium payment rates at quote and renewal and/or any future invitations, we will make checks on the electoral role and public data through a credit reference agency. These enquiries will be recorded but it is highly unlikely that they will affect your credit rating.

## **COMPLAINTS HANDLING**

We are committed to delivering a high standard of customer service at all times but in the unlikely event that you have cause for complaint you should in the first instance contact our customer

service team who will try to quickly resolve the issue. If you are still dissatisfied you should put your complaint in writing to our Head of Customer Service at The Insurance Factory, 1529 Stratford Road, Hall Green, Birmingham B28 9JA. We will acknowledge your complaint in writing within five working days and provide you with a full written response within 20 working days, or explain the current position and provide you with a timescale for a full response. We will aim to provide you with a final response within 8 weeks.

If you remain dissatisfied with our response to your complaint you may be able to refer the matter to the Financial Ombudsman Service. To use their service you must have first of all referred your complaint to us, and your referral to them must have been sent within six months of our final response letter. Full details of our complaints handling procedures are available on request.

## **CLAIMS**

**Claims Helpline Numbers:**      **0800 440 2089**  
   **0800 440 2063**  
   **0800 440 2064**

We have no authority to handle claims on behalf of insurers but can advise you on who to phone and how to make your claim. In the event of an accident which may give rise to a claim under your policy you should notify the Claims Helpline as soon as possible on the above number. You must not settle, reject, negotiate or agree to pay any claim without written permission from your insurer. Full details of how to claim are included in your policy documentation.

If, as a result of an accident that was not your fault, you require legal representation we will arrange for one of our recommended solicitors, to act for you. The solicitors have been chosen as experts in this field and a fee is paid by them to us for referring your claim to them. We comply with the Solicitor's Code of Conduct 2007 in relation to the rules on referrals which ensures that any solicitors we use are independent professionals who can give impartial and confidential advice.

## **ADMINISTRATIVE CHARGES**

In addition to the premiums charged by insurers, we make charges for our professional services to cover the administration involved in arranging or renewing your insurance. The charge payable for these services will be advised at the time of quotation and is shown on the separate 'Statement of Price' which will be sent to you with your policy booklet and/or supporting documentation. For policy renewals the charge is shown separately on our renewal invitation letter.

We also apply a Finance/Direct Debit set up charge of £49.00

The following standard charges (which are in addition to the premiums charged by insurers) also apply to the types of transaction listed below:

- Mid-term alterations £35.00
- Duplicate documents £15.00
- Cancellation £50.00. Exceptions apply if the policy is cancelled within 14 days of receiving the documents. See Cancellation of Insurance policy below.

We reserve the right to amend the level of charges at any time.

Any payments made by credit card will incur a charge of £4.50 or 2.5% of the transaction whichever is the greater.

## **CANCELLATION OF INSURANCE POLICY**

### **Cancelling within fourteen days**

You have the right to cancel your policy during a period of 14 days either from the day of purchase or the day on which you receive your policy documentation, whichever is the later. If you exercise this right and the cover had not yet commenced, you will be entitled to a full refund of the premium paid. If the insurance has commenced, and provided that you have not made a claim, you will be entitled to a refund of the premium paid, subject to a deduction for the time that you have been on cover (calculated as a proportion of the annual premium). In either case, a proportion of the administrative charge for setting up the policy will not be refunded. If you have made a claim, it is likely that none of the premium will be refunded.

To exercise your right to cancel, please contact us at The Insurance Factory, 1529 Stratford Road, Hall Green, Birmingham B28 9JA. You will be required to put your cancellation in writing and to return any Certificate of Motor Insurance or cover note immediately. We cannot progress your cancellation until we have received these documents. We strongly recommend you use Recorded Delivery or other trackable postage method to advise of cancellation and to return your documents. We are not responsible for documents that have been lost in transit.

### **Cancelling after the first fourteen days**

Unless otherwise stated, insurance policies are arranged for a period of 12 months and you are required to pay the full amount stated. If you wish to cancel the policy before the expiry date (other than within the first fourteen days as above) and there have been no claims, your insurer will refer to their published cancellation procedures as detailed in their policy documents and you may also incur cancellation charges. Any discounts that were applied to the original premium are based on a policy duration of 12 months and become void if the policy is cancelled in less than twelve months.

You will be required to put your cancellation request in writing and to return any Certificate of Motor Insurance or cover note immediately. We cannot progress your cancellation until we have received these documents. We strongly recommend you use Recorded Delivery or other trackable postage method to advise of cancellation and to return your documents. We are not responsible for documents that have been lost in transit.

Depending on the terms and age of your policy your insurer may retain your premium in full or you may be charged short term cancellation charges which are not proportionate to the annual premium but which form part of the contract offered. Insurers' cancellation terms will be outlined in their terms and conditions which are shown in both the Policy Summary made available to you at the time of quotation as well as in the insurer's policy document. We recommend that you read the Policy Summary carefully before making a decision to purchase insurance cover. If you have made a claim it is highly unlikely that any premium will be refunded.

We do not refund any of the arrangement fees that were incurred at inception of the policy, and we will deduct our commission and any discount originally applied from the amount returned to you by the insurer. Any products you purchased alongside your policy, such as Key Care, are one off purchases and non refundable.

A cancellation charge will be applied to your account.

### **Policies Cancelled by the Insurer or Finance Company**

If your policy is cancelled by us, the insurer or the Finance Company regardless of whether it is within the first fourteen days, the cancellation will be treated as a standard cancellation and will incur charges as above.

### **PAYMENT OF PREMIUMS AND REFUNDS**

Unless otherwise agreed and formalised by a premium instalment plan, all premiums are due on the day cover is arranged, the date the policy is due for renewal or the date of any mid term adjustment.

#### **Payment by instalments**

We can make arrangements for your premium to be paid by a finance company so that you can pay by instalment if this is more appropriate for you. This works in the same way as a loan. The finance company pay your premium and you pay back the finance company by monthly instalments including any interest that the finance company may apply. You will be responsible for paying the monthly instalments as they fall due. In the event of any due payment not being made, the overdue payment must be made immediately. An administration charge will be incurred for the failed payment. If the payment is not received within 7 days of the default the policy will be cancelled.

If an insurance policy is cancelled, any refund provided by the insurer after deduction of any charges (please see our cancellation policy for details) will be used against the outstanding balance on your instalment plan. Any remaining charges will need to be paid in full and we may use the services of a debt collection agency if the balance remains outstanding. Similarly if there has been a claim on the policy the insurers will retain the full premium but the full amount will still need to be paid to the finance company.

If you cancel your direct debit mandate to suspend payment of a finance arrangement, although this may lead to our early termination of your policy and associated charges, it will not automatically cancel your insurance policy. You should always write to us in accordance with our cancellation policy to cancel your insurance.

#### **Withholding documents**

We have the right to withhold essential documents, such as evidence of no claims bonus, until due payments have been made and any cheques cleared. We will provide any documents you are required to have by law.

#### **Refunds**

Any refunds will be made by cheque to the policy holder. This is dependent on the insurer returning the premium to us and can take up to 4-6 weeks.

#### **Other taxes and costs**

Other taxes and/or costs may exist in respect of other products and services offered by us, which are not paid through or imposed by us.

## **RENEWAL**

Under certain circumstances and to make the process of renewal easier we can automatically renew a policy and take payment by the same payment method as the previous year. We will always write to advise you before we automatically renew any policy and give you the opportunity to contact us to cancel the renewal.

If your policy is not eligible for automatic renewal we will write to you prior to your renewal date to remind you that your renewal is due and to advise you how much the new premium will be. You will need to contact us to arrange your renewal.

## **RISK TRANSFER**

Premiums that we collect from you are held in an insurance broking bank account specifically for the purpose of holding client money. By virtue of agreements held with insurers, we collect premiums as agents of the insurer. Once we have collected the premium from you, under the terms of our agreements with insurers, those premiums are treated as having been paid to the insurer.

Money that we collect from you will be held in a segregated account, separate from our own business account, and will be remitted to insurers in accordance with our agreement with them. If we become insolvent, the terms of the trust dictate that insurers will have a prior claim on the money in the account according to their respective interests.

### **Earning interest on customer premiums**

We hold premiums that you pay us in our client money bank account. Under Financial Services Authority regulations we have to inform you that we may earn interest from money held in this account. Interest earned will not be held for the benefit of customers.

We may also invest these premiums in a range of permitted designated investments as prescribed by the Financial Services Authority. In the event that there is any shortfall in our client money resource attributable to falls in the market value of any of these permitted designated investments we shall make provision for, and bear the cost of, any such shortfall.

### **Customer money passed to another organisation**

In accordance with Financial Services Authority Regulations we have to inform you that in managing or arranging your insurance requirements, we may transfer money that you have paid us in payment of an insurance premium to another insurance intermediary. This has no effect on your insurance arrangements with us as your broker or your insurer.

## **GOVERNING LAW**

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

## **VARIATIONS**

No variation of these terms is held to be valid unless in writing and signed by an authorised officer of the company. The company's staff are not authorised to agree to any variation of these terms. From time to time the company may review the terms and reserve the right to amend them without notice.

#### **STATUTORY RIGHTS**

Agreement to our Terms of Business does not affect your statutory rights.

**These are our stated Terms of Business. We will assume you are in agreement with these terms unless you notify us to the contrary within five days of receipt of the documents.**

**IF/TOBA 04/11**