

# MERCIA MARINE CLIENT AGREEMENT

Please read this agreement carefully. It sets out the terms upon which we agree to act for you and contains details of our regulatory and statutory responsibilities. It also sets out some of your responsibilities and replaces any previous agreement between us. Do not hesitate to contact us immediately if there is anything in this agreement you do not understand or with which you disagree.

## About Mercia Marine

Mercia Marine is a trading style of Mercia Underwriting Solutions Limited. Mercia Marine is an Underwriting Agency and general insurance broker operating from First Floor, Christ Church Hall, Avenue Road, Malvern WR14 3AY. We also offer insurance via our website [www.merciamarine.co.uk](http://www.merciamarine.co.uk).

## Financial Conduct Authority

We are authorised and regulated by the Financial Conduct Authority (FCA). Our FCA Reference number is 304948. We are permitted to advise on, arrange and deal as agent of insurers and clients for general insurance contracts. You may check this information on the FCA Register by visiting the FCA website [www.fca.org.uk](http://www.fca.org.uk) or by phoning the FCA on 0300 500 8082 from the UK or +44 20 7066 1000 from abroad

## Our Service

Mercia Marine will:

- Act fairly and reasonably when dealing with our clients
- Make sure that information provided is clear, fair and not misleading
- Give adequate explanation to enable clients to make informed decisions
- Ensure our service meets FCA requirements
- Handle claims and complaints fairly and promptly
- Identify and deal with conflicts of interest in accordance with our established procedures

## Explaining our service

### We do not provide advice for insurance Products transacted via our website

Where you chose to purchase an insurance product sold by us via our website, we do not provide advice to you, we will inform you of the main features of these products and the services we offer you including details of the provider, main details of the cover and benefits, any unusual restrictions or exclusions, any significant conditions or obligations and the period of cover. Unless otherwise agreed, any quotation given will remain valid for a period of thirty (30) days from the date of issue of the quotation.

Mercia Marine are authorised to act on the behalf of a single insurer to provide quotations, effect cover, issue policy documentation and collect & process premiums for the following insurance policy products identified as 'Quadrant', 'Quadrant Dinghy' and 'Quadrant Houseboat' Policy Wording (collectively known as our Own Branded Policy). Under these arrangements we act as the agent of the insurer(s).

We check the financial strength of the insurers with whom we place business by reference to appropriate published Insurer Credit Ratings. However, it should be noted that the claims-paying ability of even the strongest insurers can be affected by adverse business conditions. Therefore, we cannot guarantee the solvency of any insurer or underwriter

You will be provided with a statement setting out your demands and needs. This statement will be incorporated within your insurance documentation.

## Our Remuneration

We are usually 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. Alternatively, we may act on your behalf for a fee, which will be disclosed to you before the policy is concluded. This may be instead of or 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 or an exceptional claim incident occurs 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 from insurers reflecting the aggregated income and or profitability of our entire

account with them. In all such circumstances, our duty to act in the best possible interests of our customers remains paramount.

In addition to brokerage or an agreed fee basis of remuneration we may also receive benefit from income that is receivable from premium financing companies calculated by reference to the total volume of premiums financed.

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.

Brokerage commissions and fees for bringing about or arranging the insurance are considered fully earned when the insurance incepts, irrespective of when the premium for the insurance is payable to the Insurers and/or when any fees/commissions are payable to us. Fees/commissions are not refundable in the event of return premiums being allowed by Insurers after inception of the policy be that through cancellation, early termination of the policy or any other reason.

## Payment methods and credit terms

We normally accept payment by bank transfer, cheque, debit or credit card. However, you may also be able to spread your payments through instalments or a credit scheme. There will usually be a charge for paying by instalments and full details will be provided if you select this option

All policy premiums are to be paid by inception or renewal date unless specifically agreed in writing by us.

All premiums paid to us, together with any premiums returned to us by insurers, are held by us in a separate Non-Statutory Trust account designated as a client account in accordance with FCA rules. A copy of the Deed of Trust is available on request

In most cases, our financial arrangements with insurance companies are on a 'risk transfer' basis, which means that we hold premiums and refunds on behalf of the insurer i.e. the risk is transferred to the insurer and the premium is deemed to be in the insurer's possession. You will be notified in cases where 'risk transfer' does not apply.

In the case of some transactions, client money may pass through other authorised intermediaries before the insurer receives it

### ***No interest will be paid to clients in respect of money held in client accounts In dealing with us, you agree to our holding client money in this way***

Failure to comply with our credit terms may invalidate your insurance

## Duty of disclosure to Insurers and The Insurance Act 2015

Your insurance is based upon the information provided to the insurance company. Under the terms of the Act, before a contract of insurance is entered into you must make to an insurer a fair presentation of the risk – a fair presentation of the risk is one in which the information must be presented in a way which would be reasonably clear and accessible to a prudent insurer.

A fair presentation of the risk requires clear and accessible disclosure, without material misrepresentation, of every material circumstance which the insured knows/ought to know; Or, failing that, sufficient information to put a prudent insurer on notice that it needs to make further enquiries to reveal those material circumstances

What must actively be disclosed: Knowledge of senior management; knowledge of the insurance team (including broker); information which would be revealed by a reasonable search.

Insurer remedies for breach:

- If the breach was deliberate or reckless, the insurer can avoid the contract from inception and can keep the premium. The insurer must prove that the breach was deliberate or reckless.
- If the breach was not deliberate or reckless, then there are a number of options available to the insurer if they wish to impose a remedy. More than one remedy can be applied - the insurer must show that they would have acted in that way if the breach of duty had not occurred.
- If the insurer would not have written the risk if it had known the information which has come to light, then it can **avoid the contract** but it has to repay the premium.

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- If the insurer would have charged a higher premium, then it can **proportionately reduce** any claims payments.
- If the insurer would have included new terms, or imposed different terms other than with respect to premium such as conditions / warranties, exclusions, different extensions, sub-limits etc., the contract is to be treated as if it had been **entered into on those terms**.

Unless you are a Consumer (an individual buying insurance wholly or mainly for purposes unrelated to your trade, business or profession) you must disclose to insurers, before the setting up or renewal of your contract is concluded, any fact or circumstance which is known to you (or which after enquiry ought to be known to you) and which is material to the risk. A fact or circumstance is material if it would influence the judgement of an insurer in fixing the premium, setting the terms or determining whether they would take the risk. If you are uncertain whether a fact is material, you should disclose it.

If you are a Consumer you must take reasonable care to answer all questions fully and accurately. Once cover has been arranged, you must immediately notify us of any changes to the information that has been provided to your insurers.

**Material Facts** are matters or information which may influence your insurer as to the acceptability or otherwise of your risk and the terms your insurer may require. They must be disclosed at the earliest opportunity and certainly at each renewal and also throughout the life of a policy. If you are in any doubt as to whether any information constitutes a **Material Fact**, you must disclose it to us or your insurer. If any document is completed in whole or in part on your behalf, it is your responsibility to check that the answers given are true and complete. You are advised to keep copies of any correspondence or documentation sent to us for your own protection. Please do consult us if you are in doubt on any aspect.

All statements and facts disclosed on proposal forms, statement of facts, claim forms and other documents must, to the best of your ability, be full, true and accurate. Where forms are completed on your behalf you must check them for accuracy and completeness before signing them. You must always read the declaration and make sure you understand it before you sign.

It is important that you understand that any information, statement or answer provided by you, to us or your insurer, is your responsibility and must be correct. Your attention is particularly drawn to the importance of the declaration and signature on any insurers' proposal form or Statement of Fact as any failure to disclose facts material to the insurance or any inaccuracies in your answer may invalidate your insurance cover in part or in its entirety.

### Awareness of Policy Terms

When a policy is issued you should read it carefully, as it is that document including the schedule and any certificate of insurance that is the basis of the insurance contract you have purchased. You should keep all policy documents for as long as a claim is possible under the policy.

If you are in doubt over any of the policy terms or conditions, please seek our advice promptly. In particular, please watch for and be totally aware of any exclusions and/or warranties which have been applied to your insurance, as failure to comply with them may invalidate your cover

### Renewal

We will contact you well in advance of renewal to discuss your requirements. If your premium is payable by monthly Direct Debit, we may (but accept no responsibility to) renew your policy automatically for your protection. Your new monthly payment will be collected on the usual due date. However, **if you do not wish to renew, please tell us at least 7 days prior to renewal date**

### Cancellation

Your insurance contract may include a cancellation clause. A cancellation clause is mandatory for retail policies. You should make any request for the cancellation of a policy in writing and any relevant Certificate of Insurance should be returned to us or to the insurer concerned if required to do so. In the event of cancellation, charges for our services will apply in accordance with the Tariff of Fees attached. The terms of your policy may allow insurers to retain the premium in full or to charge short period premiums in the event of cancellation.

As a Consumer, you have the right to cancel your policy during a period of 14 days after the later of the day of purchase of the contract or the day on which you receive your policy documentation. As long as you have not made any claims, you will be entitled to a full refund of premium and tax paid but we will retain the New Business administration charge.

### Time on Risk / Short Period Charges

If you cancel your insurance in the first year with a new insurer it is very likely that they will charge what is known as short period rates. This will mean that the percentage of premium charged will be greater than the percentage of lapsed time. You should ensure that you understand the total charge being made before you cancel any existing insurance policy.

### Documents

We reserve the right to retain certificates or other policy documents at our office until all payments due under the policy have been made, or an agreed facility for payment of premiums by instalments has been entered into. Should we withhold any documents, we will ensure that you receive full details of your insurance cover.

Policy documentation will be issued to you in a timely manner and as soon as reasonably possible.

### Data Protection and Confidentiality

We and anyone else involved in providing your insurance, will treat all your personal information as private and confidential (even when you are no longer our client) and retain it only for as long as necessary to meet regulatory or legal requirements. For the avoidance of any doubt, where you have not yet appointed us as your broker, but in contemplation of such a possible appointment you pass to us information which is proprietary and/or confidential to you, the provisions of this section shall apply as regards such information.

We will not disclose anything to anyone concerning your personal data without your prior consent except where:

- we are legally compelled to do so
  - there is a duty to the public to disclose
  - our and your interests require disclosure
  - you ask us to or give us permission to do so
- we will only use and disclose the information we have about you in the normal course of arranging and administering your insurances including insurers, surveyors, loss adjusters, IT service providers, administrative support service providers, and other like persons to the extent necessary to provide our services to you in a timely manner;

We may use information we hold about you to provide you with details of other products or services which we offer which we feel may be appropriate to you, unless you advise us that you do not wish to receive such information. We may pass information about you to credit reference agencies for the purposes of arranging payments by instalments, and may also pass to them details of your payment record with us

Under the Data Protection Legislation in force at the time you have the right to see personal information about you that we hold in our records. Please note that if permitted to do so we may make a charge for the provision of this information. If you have any queries please write to the Company Secretary at our Head Office in Coventry: 118 Holyhead Road, Coventry CV1 3LY. Our Privacy policy is available on our website.

Our privacy policy is available at [www.merciamarine.co.uk](http://www.merciamarine.co.uk)

- You agree that the information we hold about you can be held on computer and/or paper files. You agree that this information may be disclosed to our subsidiary companies who may in turn contact you about products and services they can offer
- You agree that any information which you give us, may be disclosed to third parties, e.g. insurers, credit reference agencies, for the purpose of processing your application
- You agree that we may use the information that we hold about you to contact you from time to time by post, fax, e-mail or telephone to bring to your attention additional products or services which may be of benefit to you

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We agree that any consent given by you under paragraph c) above, may be withdrawn by you at any time by contacting us in writing.

## The Claims and Underwriting Exchange Register and Motor Insurer Information Centre (MIIC)

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 other information relating to the claim, will be put on the Registers.

Insurers are legally required to provide and maintain details of motor insurance policies to the Motor Insurance Database (MID) to which police and other government agencies have access. This helps the pursuance of claims following accidents and assist in the detection of people who drive uninsured.

## Claims

It is essential that all claims are notified to us promptly. We will either issue a claim form or inform you what information is required and pass the details to insurers. Where we handle claims, we will do so fairly, promptly and employ due care and skill and keep you informed of progress. Once the claim has been agreed, we will arrange settlement of the claim without delay.

Claims payment will be made in favour of you.

We will provide a claims handling service for as long as you remain a client of Mercia Marine (Underwriting) Ltd, however we reserve the right to charge a reasonable fee for our services if, for any reason, you cease to be our client but wish us to continue to handle on-going claims on your behalf.

## Complaints

The FCA regulates sales, advisory and service standards to make sure that general insurance clients are treated fairly. We are committed to providing you with a high level of client service at all times. We regard complaints as a very sensitive area and a key measure of our client satisfaction. It is our policy that all complaints are dealt with as quickly and fairly as possible.

If you wish to register a complaint, please contact our Complaints Officer:

**...in writing** Mercia Marine, Crown House, 10 Worrall Avenue, Arnold, Nottingham, NG5 7GP

**...by phone** Telephone 01623 491 500

Our internal complaints handling procedures for the reasonable and prompt handling of complaints is available upon request and if you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service. [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk) or by contacting them on 0800 0234 567.

Full details will be provided in our complaints procedure document that will be sent to you on receipt of a complaint or on request

## Financial Services Compensation Scheme (FSCS)

We are covered by the FSCS. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Please note that marine business is not covered by the FSCS scheme

Compensation for non-compulsory insurance will be paid at 90% with no upper limit. Compensation for compulsory insurance (such as Employer's Liability Insurance) will be paid at 100% with no upper limit

Further information about compensation scheme arrangements is available from the FSCS

## Money Laundering / Proceeds of Crime

We are obliged to report to the Serious Organised Crime Agency any suspicion of money laundering or terrorist financing activity and we are prohibited from disclosing any such report.

## Anti-Bribery and Corruption

The parties agree that Bribery, as defined under the Bribery Act 2010, is prohibited. It is therefore agreed that neither party will request, accept, offer or provide any payment or other advantage, to or from any person, which, in the absence of documentation to demonstrate otherwise, can be perceived as capable of influencing any person connected with the activities of either party to act improperly in contravention of the Bribery Act 2010. It is also agreed that neither party will offer or provide payments or any other advantage to a government official or worker, in any country, with the intention to influence such official or worker in their capacity as such, and to obtain or retain a business advantage.

## Professional Indemnity Insurance

We conform to the Financial Conduct Authority Rules in respect of Professional Indemnity Insurance, which is mandatory for FCA registered companies.

## Governing Law

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

**Limitations of Liability** We accept instructions to act on your behalf strictly subject to the following limitation upon our liability.

Our liability to you for any act or omission (including breach of contract or negligence and/or the negligence of any other parties in respect of which we are legally liable to you), whether such liability be in damages, equitable compensation or otherwise, shall not exceed the sum of £5,000,000 or its equivalent from time to time in Euros or any other relevant appropriate currency in respect of any one transaction or series of related transactions.

The figure has been carefully chosen in order to enable us to offer reasonable redress to our clients in the event of a claim, whilst enabling us to retain competitive levels of fees and commissions and make appropriate arrangements to ensure that any proper claim is met.

This section does not apply to awards made by the Financial Ombudsman Service in the exercise of its compulsory jurisdiction.

'negligence' means a breach of any obligation upon us to take required care, whether that obligation is imposed by virtue of a term (express or implied) of any relevant contract, or by the law of negligence, or otherwise;

'transaction' means any professional service provided by us to you, including (but not limited to) the arranging of insurance, advising on insurance cover and/or on particular wordings, notification of claims to insurers, and claims handling generally;

'a series of related transactions' has its ordinary meaning (save that 'transaction' has the meaning given above), but includes (without limitation), (a) transactions concerning, connected with or arising out of the same policy of insurance or reinsurance arrangements insure or reinsure (as the case may be) all or some of the same risks, transactions concerning, connected with or arising out of some or all of those policies or arrangements.

We are always prepared to discuss increasing the limit of our liability specified in this section in relation to any individual engagement, if reasons exist, but we reserve the right to decline to increase the limit or (in the event that we agree to increase it) to make an additional charge or to impose alternative or additional conditions. No agreement to increase the limit shall be valid unless made in writing and signed by a Director of Mercia Underwriting Solutions Limited

Under these Terms of Business, you agree not to make any claim against an employee, director, partner, consultant or other individual connected with us. However, it is also understood and agreed that if for any reason the provisions in this section are held to be invalid or unenforceable in whole or in part, any claim made against any employee, director, partner, consultant or other individual connected with us is subject to the limit of liability of £1,000,000, and you understand and agree that any such individual may avail himself of this limitation.

## Transferred Business

Where we are appointed to service insurance policies, other than at their inception or renewal, and which were originally arranged via another party, we shall not be

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liable during the current insurance period for any loss arising from any errors or omissions or gaps in your insurance cover or advice not provided by us. Should you have any concerns in respect of a policy, which has been transferred to us, or if you require an immediate review of your insurance arrangements, you must notify us immediately. Otherwise we shall review your insurance arrangements and advise accordingly as each policy is due for renewal.

### Severability

If any part of these Terms of Business is or becomes illegal, invalid or unenforceable then that part shall be deemed to be removed from these Terms of Business and shall not in any way affect the legality, validity or enforceability of the remaining Terms of Business.

### Taxation

Insurance premiums attract Insurance Premium Tax at the prevailing rate. Engineering inspections and some other services attract VAT at the prevailing rate. Some fees may not have a taxation element at all. If you are VAT registered then the VAT element may be recoverable by you. Insurance Premium Tax is not recoverable.

### Termination

- a) We may terminate this agreement by giving you at least 20 business days written notice.
- b) You may terminate this agreement any time, without penalty. Notice of termination must be given in writing and will take effect from the date of receipt.
- c) Any transactions already intimated will be completed according to this agreement unless otherwise agreed in writing.
- d) You will be liable to pay any services we have provided before cancellation and any outstanding fees, if applicable.

### Scale of Charges:

#### Craft Policies

	Quadrant	Dinghy	Other
New Business	£15.00	£15.00	As advised
Renewals	£15.00	£15.00	As advised
Mid-term adjustments	£10.00	£10.00	As advised
Lost documents	£15.00	£15.00	As advised
Mid-term cancellations – deduct from refund	£15.00	£15.00	As advised