



RENEWAL PROPOSAL

RICKMANSWORTH WATERWAYS TRUST

17/12/2020

CONTENTS

Introduction	3
Your Team	4
Key Renewal Issues	5
Companies and Activities	6
Our Capacity and Services - Important Information	7
Renewal Summary	7
Commercial Combined Renewal Quotation	8
Summaries of Cover	10
Commercial Combined	11
Uninsured Risks.....	15
Appendix A.....	18
Important Information.....	19
Appendix B.....	22
Private Clients High Net Worth Insurance	23
Appendix C	24
Terms of Business	25

INTRODUCTION

PURPOSE OF REPORT

The insurance programme we arrange on behalf of Rickmansworth Waterways Trust falls due for renewal on 31 December and this report includes:

- A general market update
- Review of exposure faced and risks not insured
- The renewal terms negotiated and our recommendations
- A summary of the claims experience

MARKET OVERVIEW

The latest forecasts compiled by the Government predict a 10.1% contraction in the UK GDP for 2020 with unemployment expected to rise to 8.3% by the end of the year. Factoring in the uncertainty surrounding the UK's future trading relationship with the EU, the UK economy is expected to rebound by only 6.5% in 2021 with unemployment remaining at 6.6% by the end of next year.

With regards to the UK insurance market, there are clear signs of an upward pressure on rating across the board signalling a definitive end to the extended soft market period. In such a climate, well managed risks committed to robust risk management practices will benefit from the most favourable terms available.

Turning to specific cover classes, whilst the UK property market has remained stable in recent years, the increasing severity of recent weather events has affected insurer profitability and the ongoing availability of flood cover in high risk areas. There are clear signs capacity is reducing, particularly for higher hazard exposures such as food and energy where significant rating increases are being carried. Rating in the Construction sector has also increased dramatically in the face of recent losses and a reduction in capacity following the exit of a number of Insurers. The placement of Design and Construct Professional Indemnity insurance remains problematic.

The Financial Lines market (Directors & Officers Liability, Crime, Cyber, Employment Practice Liability) is in a period of transition. An ongoing deteriorating claims picture has resulted in Insurers combining rating increases (dramatic in certain trade sectors) with cover restrictions. Market capacity is reducing almost on a weekly basis with such conditions likely to continue well into 2021.

The Liability sector is facing upward rating pressures in the face of rising claims costs/frequency, increased reinsurance and operational costs and new exposures. Primary and excess layer covers are equally affected.

Loss making motor risks continue to attract rating increases in a contracting market, particularly risks with a predominance of heavier goods vehicles and cases with large outstanding injury claims noted on the experience. Increased vehicle repair costs and injury claims inflation are adding to the rating pressures and Insurers are becoming far more selective in the types of fleet risks they are willing to write.

With the EU's General Data Protection Regulation (GDPR) now in force, many organisations are looking towards cyber insurance cover as a risk transfer mechanism for exposures which are insurable. Additional services offered under cyber policies, in particular access to dedicated response teams that act in the hours following a data breach and public relations help to manage the reputational fall out, are also proving of interest.

INSURER SECURITY

We will only place insurance with insurers who have been subject to a satisfactory review by our Group Insurer Security Committee or whom you have specifically approved for use in relation to your business. We endeavour to review accurately the information we obtain to protect the interests of our clients. Whilst reasonable skill and care is used in the review of insurers by the Group Insurer Security Committee, the review is neither an audit nor a guarantee. The financial standing of any insurer can of course change after the insurance contract has been incepted.

YOUR TEAM

Your team will be pleased to help you with any questions you may have regarding your insurance needs:

ACCOUNT EXECUTIVE



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BROKER

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CLAIMS EXECUTIVE



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KEY RENEWAL ISSUES

From our discussions and the information that you have provided in the Pre-Renewal Questionnaire (PRQ), a summary of which can be found later in the report, we have obtained renewal terms on your behalf for the following policies:

Commercial Combined	
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The following criteria have been applied to establish which insurer(s) would be suitable to provide cover for you:

- Extent and nature of the cover required by you and that provided by the Insurer.
- The financial strength of the insurer.
- The insurers experience and track record in handling business of the nature in question.
- The insurers long term commitment to and understanding of your business.
- Flexibility of the insurers approach in relation to claims and claims management.
- The sustainability of pricing mechanism in the longer term by the Insurer.
- Strength of the relationship between the insurer and Griffiths & Armour.

Where a policy is under Long Term Agreement the insurance is tied to that insurer for the period of the agreement, unless additional terms or conditions are imposed.

For each product we recommend we will provide you with information to help you understand the breadth of search we have undertaken in the insurance market.

Please note that we are not under any obligation to conduct insurance business exclusively with one or more insurers.

In summary our report will confirm the following:

- Your insurance requirements for the forthcoming year, as we understand them (please contact us if our understanding is incorrect);
- The key renewal issues as we see them; and
- The basis of our recommendation for the renewal of your policies

COMPANIES AND ACTIVITIES

The renewals/quotations covered by this Summary have been sought from various insurers in the name of the companies detailed below and based on the business activities stated.

Some of the companies mentioned below may be dormant, however, they are included as it is a statutory requirement that any limited company holds Employers Liability Insurance.

Companies Insured Rickmansworth Waterways Trust

Business Description Waterways Related Organisation

IMPORTANT NOTICE REGARDING BUSINESS DESCRIPTION & COMPANIES INSURED

It is important that you advise any alterations to the preceding description of business, or indeed of any aspect which may increase the original risk including acquisitions or disposals, adoption or cessation of processes or systems.

Insurers have assessed and accepted the risks at the quoted premium on the basis of information given. Any variations of those details, if not advised to them, could result in an uninsured loss.



INSURANCE DOCUMENTATION: ONLINE AND MOBILE ACCESS

We are pleased to announce that all your insurance documentation will now be made available 24/7 via RMworks, our online risk management platform. To enable your account to be set up you will shortly receive an automated email from RMworks asking you to set your personal account passphrase. Thereafter, you will automatically be notified by email as soon as your documentation becomes available in the 'Document Access' area of RMworks.

You can login into RMworks [here](https://rmworks.griffithsandarmour.com/) or by copying the following address into your internet browser: <https://rmworks.griffithsandarmour.com/>

You can also access your documentation on the move via the free RMworks App available from the App Store and Google Play.

OUR CAPACITY AND SERVICES - IMPORTANT INFORMATION

The following information is in relation to the insurances for which we are quoting and, where applicable, for which you have asked us to arrange cover.

THE CAPACITY IN WHICH WE ARE ACTING

Policy Type	Sourcing a suitable policy	Placing the insurance	In the event of a claim
Commercial Combined	Client	Client	Client

In respect of the capacity in which we are acting, please read the following in conjunction with the above table.

Client - We act as your agent.

Insurer – We act as agent of the insurer.

Scheme – When arranging your insurance we have acted as the agent of the insurer which has allowed us to quote, accept business, collect premiums and issue documentation on their behalf.

Client/insurer – We act as your agent other than collection of premium where we act as agent of the insurer.

RENEWAL COMPARISON

All amounts in the below table include tax and fees where applicable.

	Cover at Start of Last Year	Expiring Premium	Renewal Quote
Commercial Combined	£1,207.92	£1,207.92	£1,633.72
Total	£1,207.92	£1,207.92	£1,633.72

RENEWAL SUMMARY

The table below represents our recommendations in relation to your requested covers.

Policy Type	Insurer	Effective Date	Quoted / Renewal	Premium	IPT	Total
Commercial Combined	Travelers Insurance Company Limited	31/12/20	Renewal	£1,458.68	£175.04	£1,633.72
Total				£1,458.68	£175.04	£1,633.72

Note

Please find details of the recommended cover overleaf.

COMMERCIAL COMBINED RENEWAL QUOTATION

We are pleased to offer you the following renewal terms.

You have indicated that you require insurance in the event of the following:

- Loss of or Damage to your physical assets (e.g. buildings, contents, tenant's improvements, stock, computer equipment etc).
- Loss of revenue and additional cost of working arising from damage to or loss of company property.
- Legal liabilities for injury to employees.
- Legal liabilities for Injury or damage to third parties or their property.

RECOMMENDED QUOTE

As a result of our market activity, we recommend the following quote which we have obtained for you:

Policy	Commercial Combined
Insurer	Travelers Insurance Company Limited
Premium (Including Tax) (£)	1,633.72
Cover Period	31/12/2020 to 30/12/2021

The premium for the Combined Commercial Policy is made up from a number of elements:

(a) A premium for the public liability package, which includes product liability, employer's liability, cash losses, transit insurance, contract works, hired in plant and a limited personal accident insurance. Premiums are based on levels of turnover declared in your Pre Renewal Questionnaire. The premium rates for this section unchanged from 2020.

(b) A premium for property insurance (if any). Each of the different categories of property, as detailed in the Pre Renewal Questionnaire, has its own rate. The insured values are multiplied by the relevant rates to gain an overall property premium. The 2021 rates have increased by 5% over the 2020 rates.

(c) A premium for owned plant (if any). This premium is determined by multiplying the insured value by the premium rate. The 2021 rate has increased by 5% over the 2020 rate.

(d) A premium for Business Interruption insurance (if you have opted into this cover). This premium is determined by multiplying the gross profit declared in your Pre Renewal Questionnaire by the premium rate. The 2021 rate has increased by 5% over the 2020 rate.

Please let us know if you have any concerns, or require further detail as to how your premium quote has been calculated and how it compares with the 2020 premium.

There are a number of improvements to the policy terms in 2021:

- A new basic and limited Professional Risk insurance has been provided as part of this package at nil additional premium. There is a new section of policy wording to cover and explain this. The insurance does not cover all professional risk - for example engineering design, which will continue to require its own policy.
- Transit insurance has been extended to cover property being transported in motor vehicles owned by volunteers acting for the insured, subject to the same limits of property covered in vehicles owned by the insured.

- Details of Hired In Plant under £100,000 no longer need to be reported, subject to an overall limit of £100,000 on site at any one time not being exceeded. The maximum limit for cover for wood chippers has been increased from £30,000 to £50,000.

All participating IWA corporate members will also benefit from contingent cover for Occasional Business Use under the Motor Policy insurance.

Taking into factor the above points, Travelers have invited renewal at £1,458.68 Plus 12% IPT.

We therefore recommend renewal with Travelers due to the cover and competitive rating being offered and for the basis of continuity.

We have taken this opportunity to highlight certain terms and conditions of your insurance cover which may be of particular importance to you and have listed these in the Summaries of Cover Section. Full details are contained in your policy document which we would urge you to read carefully.

SUMMARIES OF COVER

COMMERCIAL COMBINED

POLICYHOLDER	Rickmansworth Waterways Trust
INSURER	Travelers Insurance Company Limited
POLICY NUMBER	XD14120AA000/122
PERIOD OF INSURANCE	31/12/2020 to 30/12/2021

SCOPE OF COVER

Section 1:	Material Damage
Section 2:	Employers Liability
Section 3:	Public Liability

SECTION 1: MATERIAL DAMAGE

COVER

Loss of or damage to the insured property arising out of the Insured Risks as defined below.

BUILDINGS

Location	Description	Declared Value (£)
Floating Location	Wooden Buildings	0
	Stone & Brick Buildings	0
	Other Buildings	0
	Temporary Buildings	850
	Storage Containers	0
	Waterway Structures	0
	Outdoor Display Panels	0
Total (£)		850.00

CONTENTS ITEMS

Location	Description	Declared Value (£)
Floating Location	Indoor Contents	15,000
	Stock for Resale	2,000
	Portable Equipment	0
	Outdoor Equipment	1,500
	Trophies	0
Total (£)		18,500.00

GENERAL MATERIAL DAMAGE CLAUSES

Please note that in respect of buildings and contents 'Floating Location' means any location in the UK (details of the locations are as per those listed in the Pre Renewal Questionnaire).

Insurers have advised that the recommended annual inflation / index link adjustment for both buildings and contents is Zero this year. Therefore neither buildings nor contents insured values have been increased for any inflation or index link adjustments.

SECTION 2: EMPLOYERS LIABILITY

COVER

Indemnity against legal liability for injury to or illness of employees arising out of or in the course of the business and within the Territorial Limits.

LIMITS OF INDEMNITY

Any one occurrence (inclusive of costs £) 10,000,000

Please note that a copy of the Certificate of Employers' Liability Insurance should be displayed at each place of business where you employ persons covered by this policy. It is however satisfactory to make the certificate available in electronic form, providing that it is reasonably accessible to relevant employees to whom it relates. We also recommend that you retain this certificate after it has expired as under current legislation, if no insurance records can be found at the time of any future claim, an employer could be held responsible for payment of all or part of the claim.

SECTION 3: PUBLIC LIABILITY

COVER

Indemnity against legal liability for injury to third parties or loss of or damage to third party property arising out of the business.

LIMITS OF INDEMNITY

Public Liability any one occurrence (£): 10,000,000

UNINSURED RISKS

In the following Section we provide some brief details of risks that are not insured at present via Griffiths & Armour and whilst the list is comprehensive it is not exhaustive. Further details including firm premium indications for any of the risks outlined are available upon request.

PECUNIARY INSURANCE

BUSINESS INTERRUPTION

Loss of Revenue/Turnover and/or Gross Profit and Increased Costs of Working, following loss of or Damage to your physical assets.

BUSINESS INTERRUPTION EXTENSIONS

Financial loss following disruption in the supply chain including supplier insolvency, communication system failure, transport failures or port blockage, raw materials or component delays, cyber risks and virus, crop failure or damage. A key element of the cover is that there does not need to be a 'physical damage' trigger.

Other extensions include:

- Damage at customers/suppliers premises.
- Failure of Public Utilities to your premises.
- Denial of Access to your premises.
- Infectious Diseases at or near your premises.
- Murder, Suicide at or near your premises.
- Offsite storage.
- Loss of attraction.

GROUP PERSONAL ACCIDENT

Cover for lump sum benefits following accidental bodily injury resulting in death or permanent disability. Cover can be extended to include temporary disablement and sickness. Cover is for the benefit of the employer.

ENGINEERING

Insurance of plant which can be grouped under four main headings: boilers and pressure plant; engine plant; electrical plant; and lifting machinery. Cover includes breakdown, pressure vessel explosion risk and appropriate statutory inspection. Policies can be extended to include consequential loss breakdown where there are key items of plant.

LIABILITY INSURANCE

MOTOR

Legal requirement to insure your vehicles which are licensed for Road Use or are being used in an area to which the public have access to at least provide indemnity to Third Parties. Cover is usually extended to include accidental damage, fire and theft to the vehicle(s) itself.

ENVIRONMENTAL INSURANCE

Cover against legal liability for third party property damage or injury arising out of gradual pollution. Cover can be extended to include own site clean up costs for pollution events.

PROFESSIONAL INDEMNITY INSURANCE

Covers legal liability arising out of professional negligence. This is sometimes referred to as Errors and Omissions cover.

EXCESS LAYER LIABILITY

Designed to be in excess over the existing Employers/Public Liability/Professional Indemnity and Motor Third Party Property Damage limits of indemnity. Does not contribute to a loss until the limit of the primary insurance has been reached.

DIRECTORS & OFFICERS LIABILITY

Legal liability for damages in respect of wrongful acts committed by individual directors or officers of the company. In most circumstances cover can be extended to the Entity via a Corporate Legal Liability extension.

EMPLOYMENT PRACTICE LIABILITY

Provides Entity cover for defence costs and awards arising in respect of employment related disputes including unfair dismissal, discrimination based on sex, race, disability, religion, politics or harassment and for breach of contract arising via equal pay, hiring, promoting or even providing references.

SPECIALIST AND EMERGING RISK INSURANCE

CYBER

Cover is available for a variety of cyber-related first and third party losses as noted below, arising out of such risks as a network security breach, unauthorised use of your computer system, accidental damage or destruction of data or media and human error.

First-party exposures:

- Costs incurred in connection with loss / damage or corruption of data.
- Loss of income / additional costs.
- Crisis management and notification costs.
- Identity fraud.
- Cyber extortion.

Third-party exposures:

Costs and liability to pay damages in respect of

- Disparagement, plagiarism and infringement.
- Rights to privacy or breach of confidence.
- Transmission of virus and denial of service.

CRIME

Covers losses arising from crime including workplace fraud by employees and can be extended to include Third Party computer fraud, electronic funds transfer risks and social engineering.

EVENT CANCELLATION

A contingency insurance which enables the promoters of events (e.g. plays, exhibitions, fetes) to insure against financial loss if the event is cancelled through circumstances. Breach of contract, i.e. refusal of key person to appear or perform, is not generally insurable.

OTHER INSURANCE

COMMERCIAL LEGAL EXPENSES INSURANCE

A legal expenses defence insurance policy for businesses to pay legal costs and court awards in the pursuit and defence of legal actions. Insurers generally insist upon using their panel solicitors to defend any claim or action together with the 24 hour legal helpline service from the date of the initial circumstances.

LEGAL INDEMNITY REAL ESTATE

Used to preserve the ownership, use and occupation of real estate assets and is utilised in property acquisitions/financing and for site developments.

Risks commonly addressed include:

- Restrictive covenants lack of access rights, interference with third party rights.
- Rights of light.
- Third Party rights including mining rights and services.
- Chancel repair.
- Insolvency Act risks.
- Missing documents/lack of title/lack of due diligence materials.

PERFORMANCE BOND

A conditional bond under which the obligor's obligations cease if the stipulated performance is carried out. Performance bonds are most commonly used in the construction industry. They protect the principal against the risk of default by the contractor due to insolvency or other reasons

APPENDIX A

IMPORTANT INFORMATION

IMPORTANT INFORMATION

TERMS OF BUSINESS

We have included a copy of our Terms of Business letter. This gives details of our regulatory status and important information relating to our relationship with you, including our limitation of liability. Please read this carefully and if you have any questions do not hesitate to contact us.

May we take this opportunity to inform you that you are entitled, at any time, to request information regarding any commission which we may receive as a result of placing your insurance business.

ADEQUATE LEVELS OF COVER

We recommend that you review your levels of cover on a regular basis, to ensure that they remain adequate. We are happy to provide guidance to assist you with this exercise. Please advise at renewal, or indeed at any time during the period of the insurance programme if you would like us to obtain quotations for alternative levels.

LONG TERM AGREEMENT

Where a policy is under Long Term Agreement the insurance is tied to that insurer for the period of the agreement, unless the insurer decides to impose additional terms and conditions at which point other insurance options will be available.

WARRANTIES

Warranties are applied by insurers to ensure that your management correctly addresses particular hazards. All warranties in any policy must be complied with fully and literally. Any deviation may invalidate the policy cover.

CONDITIONS

Conditions impose an obligation on the insured. There are various types of conditions that could apply to your contract which may allow the insurer to avoid the policy in its entirety or avoid a particular loss. It is important that you understand the conditions contained within your policy(s).

OUR REMUNERATION

You are entitled, at any time, to request information regarding any commission which we may have received as a result of placing your insurance business.

INSURANCE MARKET

Insurers with whom we have agencies and potentially could have been approached/utilised in relation to your insurance(s) are listed below:

Abbey Protection Group Ltd t/as Abbey Legal Protection, Accident & Health Underwriting Ltd, Acumus Ltd, Allianz Insurance Plc, Allied World Assurance Company (Europe) dac, American International Group UK Limited, Ansva Insurance, Applewell Ltd, ARAG Plc, Arch Insurance Company (Europe) Ltd, Arista Insurance Limited, Art Incorporated, Aspen Insurance UK Ltd, Assicurazioni Generali SpA UK Branch, AssuredPartners London Limited, Asta Managing Agency Limited, ATD General, Aviva Insurance Limited, Avon Insurance Plc, AXA Art Insurance UK

SE, AXA Corporate Solutions Services UK Limited, AXA Insurance UK Plc, AXIS Specialty Europe SE, Azur Underwriting Limited, Beazley Solutions Ltd, Berkley Technology Underwriters, Brit Insurance Ltd, British Engineering Services Limited, British Marine, Builders' Accident Insurance Ltd, BUPA Insurance Limited, Bureau Veritas UK Limited, Capita Insurance Services Limited, Capulus Limited, CFC Underwriting Ltd, Cherished Car Insurance Services Ltd, Chubb European Group SE, Cigna Insurance Services (Europe) Limited, CLS Risk Solutions Limited, CNA Insurance Company Limited, Cogent Resources Ltd, Congregational & General Insurance PLC, Covéa Insurance plc, Crowe Insurance Group, Dallas Kirkland, Dallas TL, DAS Legal Expenses Insurance Company Ltd, Direct Commercial Ltd, Direct Insurance London Market, Dual Corporate Risks Limited, Ecclesiastical Insurance Office Plc, Electrical Contractors Insurance Company Ltd, Encon Underwriting, Ensign, Equine & Livestock Insurance Company Ltd, ERS, ERS Syndicate Management Limited, Euler, Excess Insurance Co Ltd, Fastnet Marine Insurance Services, FM Insurance Company Limited t/a AFM, Gallagher Heath Insurance Services, GCube Underwriting Ltd, Geo Specialty, Geo Underwriting, Geo Underwriting Services Ltd t/as Arista, Geo Underwriting Services Ltd t/as Fusion, Geo Underwriting Services Ltd trading as AIUA, Giant Risk Solutions Ltd, Groupama Insurance Company Ltd, Hagerty International Ltd, Hayman, HCC International Insurance Company Plc, HDI Gerling, Heritage Insurance Solutions Limited, Hiscox Underwriting Limited, HSB Engineering Insurance Limited, HSBC Insurance (UK) Limited, Independent Insurance Company Ltd, Industrial Safety Inspections Limited, Insurex, Isle of Man Assurance Limited, Kay International PLC, Landmark Insurance Co Ltd, Legal & Contingency Limited, Legal & General Insurance Ltd, Liberty Mutual Insurance, Lloyd's, London & Edinburgh Insurance Company Ltd, Longreach International Ltd, Lorega Ltd, Lorega Ltd Claims and Underwriting Services, Markel (UK) Ltd, MD Insurance Services Ltd, Mitsui Sumitomo Insurance Company (Europe) Ltd, MPR Underwriting Limited, MS Amlin, My Policy Ltd, Navigators & General, Newline Insurance Company Limited, NFU Mutual Services Ltd, NIG, NMU (Specialty) Ltd, Novae Insurance Company Ltd, Nuclear Risks Insurers Limited, Pen Underwriting, Pen Underwriting Limited, Plus Risk, Policyfast Limited, Private Patients Plan, QBE Insurance (Europe) Limited, Resolute, RIAS Ins Services Ltd, Royal & Sun Alliance Insurance Plc, Safeonline LLP, Self Assured Underwriting Agencies Ltd, St Christophers ChauffeurPlan, Sterling Insurance Co Ltd, STU Ergo Hestia SA, Summit Insurance, Sunderland Marine Insurance Company Limited, Sutton Specialist Risks Ltd, Sutton Winson Ltd, Swiss Re Capital Markets Ltd, The Legal Protection Group, The Shipowners' Mutual Protection & Indemnity Association, Tokio Marine Kiln Insurance Limited, Touchstone Underwriting Limited, Travelers Insurance Company Limited, Travelers Underwriting Agency Ltd, TT Club Mutual Insurance Limited, U-Sure Insurance Services Limited, Virtual Insurance Products Ltd t/a Jackson Lee Underwriting, W.R. Berkley Insurance (Europe) SE, Worldwide Hole'N One Limited, XL Catlin Insurance Company UK Limited, XL Insurance Company Ltd, Zurich Insurance PLC

RETENTION OF LEGAL LIABILITY INSURANCE POLICIES

EMPLOYERS' LIABILITY (COMPULSORY INSURANCE) REGULATIONS 2008

Claims for compensation for health and other problems attributable to gradually operating causes are now commonplace. The most obvious example is the high volume of industrial disease claims from current and former employees, which show no sign of reducing.

Such claims are generally insured by the policy or policies that were in force **at the time of the alleged exposure**. It is recommended that, all Legal Liability Policies are retained indefinitely including any such policies held for former subsidiaries and future acquisitions.

DUTY OF FAIR PRESENTATION

In UK law and under the terms of the Insurance Act 2015 you have a legal duty to make a Fair Presentation of your risk to insurers prior to entering into a new contract of insurance (including renewal of a policy) and also in the event of any variations e.g. changes you wish to make to your policy mid term. This means that you must:

- Disclose every **material circumstance** which you know or ought to know;

- Present such disclosures in a **reasonably clear and accessible manner**;
- Ensure that any material representation as to a: (a) matter of fact is substantially correct; and (b) matter of expectation or belief is made in good faith.

Material circumstances are those that would be likely to effect the judgement of a prudent insurer in deciding whether to accept a risk and if so on what terms. These include:

- Special or Unusual facts relating to your risk
- Particular matters of concern which led to you seeking cover for the risk
- Matters likely to be of concern to those in the class of insurance / field of activity in question

A fact should not be regarded as immaterial merely because it is not the subject of a question on a proposal form. Please note that a claim you decide not to notify your insurers of may also be deemed to be a material fact.

Although the following list is not exhaustive examples of material facts or circumstances may include:

- Changes in trading activities of the business
- Acquisitions by/of the business insured
- Failure of intruder, fire or safety precautions
- Contractual Commitments
- Changes in the processes undertaken
- New lease of equipment
- Convictions of directors
- County Court Judgements

It is important you understand that any information, statement or answers made by you must be correct and any inaccuracies or failure to disclose facts material to the insurer may invalidate your insurance cover partially or in whole and / or lead to the value of a claim being reduced.

The above list is not exhaustive and therefore if you are in any doubt as to whether a fact could be considered to be material please do not hesitate to contact us.

APPENDIX B

PRIVATE CLIENT HIGH NET WORTH INSURANCE

PRIVATE CLIENTS HIGH NET WORTH INSURANCE

CHOOSING THE RIGHT INSURANCE INVOLVES MORE THAN JUST COMPARING PRICES.

In its purest sense, insurance is a promise, and the only time an insurance promise is really tested is when you come to make a claim. Finding out that you have an inadequate policy or provider after you have suffered a loss is likely to lead to one of three scenarios, escalating in severity. You might:

1. Experience a delay in receiving your claim settlement
2. Find that your claim settlement is reduced
3. Discover that your claim is declined and no payment is made.

We offer all prospective clients a complimentary review which can be conducted at your home, your office or over the phone at a time to suit you. Investing a little time in your personal review will ensure that you remove the unnecessary exposure created by an inappropriate insurance solution.



YOUR HOMES

Buying off the peg insurance is a fundamentally flawed strategy.



YOUR VALUABLES

Unique items deserve the best possible insurance.



YOUR CARS

Paying a little more to insure your cars is a wise investment

The Team at Griffiths & Armour can be contacted on:

marketing@griffithsandarmour.com

APPENDIX C

TERMS OF BUSINESS LETTER



TERMS OF BUSINESS

Insurance Brokers is a division of Griffiths & Armour, 12 Princes Parade, Princes Dock, Liverpool, L3 1BG, a partnership which is authorised and regulated by the Financial Conduct Authority (FCA). Griffiths & Armour is an insurance broker whose FCA registration number is 312066.

DEFINITIONS

The words 'we', 'our' and 'us' mean and refer to Griffiths & Armour, Griffiths & Armour (Holdings) Ltd and any of its subsidiaries.

The words 'you' and 'your' mean and refer to the client of Griffiths & Armour to whom these terms are issued.

Please read this document carefully. It sets out the terms on which we agree to act for you and contains details of our regulatory and statutory responsibilities.

OUR SERVICE AND PERMITTED BUSINESS

Our service includes:

- advising you on your insurance needs
- arranging your insurance cover with insurers to meet your requirements
- helping you with any ongoing changes you have to make
- assisting you with any claim you need to make
- issuing policies on behalf of certain insurers

Although we are authorised to provide advice on all general insurance policies, we do not arrange the following categories of insurance: keyman; permanent health; private medical; life; payment protection; or critical illness although this list is not exhaustive.

You can check Griffiths & Armour's permitted business by visiting the FCA's website <https://register.fca.org.uk/> or by contacting the FCA on 0800 111 6768 or 0300 500 8082.

Please note that our risk management service is not an insurance product, and is not regulated by the FCA. Risk management services will be provided by Griffiths & Armour Risk Management Ltd and any limitation of our liability noted within this letter will also apply to them.

OUR DUTY OF CARE AND CONFIDENTIALITY

We act on your behalf in arranging your insurance. We advise upon most general insurance products (see above). In doing so we will act on your behalf with the reasonable skill and care of a broker experienced in similar transactions and will agree to maintain strict confidentiality.

REQUIREMENT TO DISCLOSE

It is your responsibility to provide complete and accurate information to insurers when you take out your insurance policy, throughout the life of your policy, and when you renew your insurance. It is important that you ensure all statements you make on proposal forms, claim forms and other documents are full and accurate.

YOUR DUTY TO MAKE A FAIR REPRESENTATION OF THE RISK

Before the insurance policy takes effect, you have a duty to make a fair presentation of the risks to be insured under the insurance policy.

A *fair presentation* of the risk is one:

- which discloses to the Insurer every material circumstance which you know of, or ought to know of; or
- gives the Insurer sufficient information to put the Insurer on notice that it will need to make further enquiries for the purpose of revealing those material circumstances;
- which makes that disclosure referred to above in a manner which is reasonably clear and accessible to the Insurer; and
- in which every material representation as to a matter of fact is substantially correct, and every material representation as to a matter of expectation or belief is made in good faith.

A *material circumstance* is one that would influence the Insurer's decision as to whether or not to agree to insure you and, if so, the terms of that insurance. If you are in any doubt as to whether a circumstance is material, you should disclose it to the insurer. By not giving enough information you will provide the insurer with various opportunities to reduce their exposure which may include avoidance of the policy.

OUR RECOMMENDATIONS

Our recommendation report confirms to you the reasons why we believe our personal recommendation meets with your insurance requirements and will also disclose whether we are acting as your agent, the agent of the insurer, or both.

We will not provide any advice in relation to tax, accounting, regulatory or legal matters and you should take separate advice as you consider necessary regarding these matters.

EVIDENCE OF COVER/POLICY DOCUMENTATION

We will arrange for appropriate documentation to be forwarded to you which will provide you with formal confirmation/evidence of the insurance and the amount of premium due. We advise you to check this documentation carefully when you receive it to ensure it meets your stated requirements.

INFORMATION ABOUT PREMIUMS AND COSTS

We reserve the right to make charges (including administration fees) in addition to any insurance premiums for the arranging, amending, renewing and cancellation of any policy of insurance. These charges will always be advised to you in advance, will not be refundable and will be shown separately on any invoice we issue to you.

All broking fees are payable in full within 14 (fourteen) days of invoice. Any mid-term cancellation by us of our services contract will result in a pro rata return of any fees for the unexpired period. Any mid-term cancellation by you of our services contract will not result in any return of fee.

We will give you full information about your payment options when we discuss your insurance in detail.

INSURANCE PREMIUMS

In relation to insurance premiums our payment terms are:

- a) New policies: immediate payment on or before the inception date of the policy
- b) Mid-term adjustments to existing policies: immediate payment on or before the effective date of the change
- c) Renewals: due in full on the earlier of the receipt of the debit note or the renewal date

Should you receive your debit note after the timescales stated above, payment is expected immediately upon receipt of the debit note.

Receiving payment in the timeframe stated above allows us sufficient time to forward premium(s) to your insurer(s) by the date(s) they have stipulated.

We reserve the right to offset any returns of premium against unpaid premiums or fees due to your insurers or ourselves. We will not offset any monies anticipated from a claim against the 'due' premium.

Where an insurer includes a premium payment warranty in their policy it is imperative premiums are received by the insurer by the date stipulated or your policy may be automatically cancelled. We cannot be held responsible for the consequences of late payments or breaches of warranties if monies are received from you any later than the timescales noted above.

CLAIMS

If you have occasion to claim on your policy, you must notify us as soon as is reasonably practicable. We will promptly advise you about the process that should then be followed. If appropriate we will issue you with a claim form and pass all details to your insurer. You should not admit liability nor agree to any course of action, other than emergency measures carried out to minimise the loss, until you have agreement from your insurer.

Many policies require insurers to be notified of a possible claim, or circumstances which may lead to a claim, before any formal claim is made on you by a third party. You should ensure that you are familiar with the provisions of your policy concerning the notification of claims or circumstances which may lead to these claims, and should adhere strictly to them, as failure to do so may entitle insurers to refuse to meet the claim.

For specific technical and complex claims in excess of £50,000 Griffiths & Armour reserve the right to charge an additional claims fee. This fee is dependent upon the circumstances and complexity of the individual claims; the fee will be charged at an agreed hourly rate of £100 plus expenses. Any costs incurred on such claims will be discussed and agreed with you before they become due.

Where we have been remunerated by way of commission and you cease to have a current policy in place with Griffiths & Armour, we will retain the responsibility for the run off of outstanding claims, unless you should request otherwise. A fee will be applicable for this service on occasions where there are significant claims outstanding. If a fee is required we will notify you of this in advance.

Where we have been remunerated by way of an annual fee and you cease to have a policy in place with Griffiths & Armour, we will, at the end of the policy period, (or before this time if requested) forward any outstanding claims information to your new broker to allow them to provide you with a full claims service.

CLIENT MONEY

Client money is money we receive and hold in the course of carrying on insurance business on behalf of our clients.

We hold client money subject to a non-statutory trust. The aim of the trust is to protect you in the event that we, our bank or a third party at which the money is held, suffer from financial failure. We are entitled to and may use client money held on behalf of one client to pay premiums due from other clients before the premium is received from those other clients and to pay claims and premium refunds to another client before we receive payment from the insurer. However, we are not entitled to use client money to pay commissions before we receive the relevant premium from the client.

We may transfer client money to another person, such as another broker or settlement agent, for the purpose of effecting a transaction on your behalf through that person.

No interest will be payable to clients in respect of the client money account. Any interest earned will remain in our ownership.

INSURER SECURITY

We will only place insurance with insurers who have been subject to a satisfactory review by our Group Insurer Security Committee or whom you have specifically approved for use in relation to your business. We endeavour to review accurately the information we obtain to protect the interests of our clients. Whilst reasonable skill and care is used in the review of insurers by the Group Insurer Security Committee, the review is neither an audit nor a guarantee. The financial standing of any insurer can of course change after the insurance contract has been incepted.

DATA PROTECTION

We take your privacy and data security very seriously. In order to find out more please view the relevant Privacy Notice at <http://www.griffithsandarmour.com/Privacy-Notices.aspx>.

COMPLAINTS

It is our intention to provide you with a high level of service at all times. If you wish to make a complaint about our service, we have a formal complaints procedure. In the first instance, you should contact us in writing, by phone or at our email address.

Please address your complaint to:

Group Chief Executive – Insurance Brokers, Griffiths & Armour, 12 Princes Parade, Princes Dock, Liverpool, L3 1BG. Telephone: 0151 236 5656. Email: info@griffithsandarmour.com.

If you cannot settle your complaint with us you may, if eligible, be entitled to refer it to the Financial Ombudsman Service.

A copy of our internal complaints procedure is available to you on request at any time.

FINANCIAL SERVICES COMPENSATION SCHEME

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the Scheme if we are unable to meet our obligations depending on the type of insurance and the circumstances of your claim.

Further information about the scheme is available from the FSCS website www.fscs.org.uk, by telephone on 020 7892 7300, or write to:

FSCS, 10th Floor, Beaufort House, 15 St Botolph Street, London, EC3A 7QU.

ELECTRONIC COMMUNICATIONS

We may communicate with each other, and with parties with whom we need to communicate in order to provide services to you, by email, and sometimes attach further electronic data. By doing this we and you accept the inherent risks (e.g. viruses, unauthorised access/interception). Our systems do have virus checking processes but you will be responsible for virus checking all electronic communications sent to you and for checking that the messages received are complete.

BRIBERY AND CORRUPTION

We have in place strict anti-bribery and corruption policies and procedures in accordance with applicable regulatory requirements, rules and legislation including the Bribery Act 2010. When you are doing business with us it is vital that all parties should not engage in any acts of bribery or corruption contrary to the applicable requirements/laws. We would expect you to have the appropriate policies and procedures in place to ensure this does not happen as any breach will entitle us to terminate our relationship with you.

ETHICAL PRACTICE

We will not tolerate any unethical behaviour in our own activities or of those we do business with. We will comply with all applicable rules, regulations, laws and accounting standards.

SANCTIONS

We will comply with all applicable sanctions regimes and legislation and where obliged we may have to take certain actions which include but may not be limited to the freezing of funds held on behalf of parties/individuals caught under applicable sanctions. We cannot be held responsible for the actions of third parties who may have their own sanctions policy restrictions and constraints.

OTHER RELEVANT INFORMATION

- **Trademarks and Logos**

In order to enhance and personalise our reports and presentations to you and the relevant insurer(s), we may make use of your firm/company trademark and/or logo. If you do not agree to us using your trademark and/or logo in this way, please write to the Managing Director at our Liverpool office.

- **Claims and Underwriting Exchange (CUE)**

Member organisations (e.g. insurers, local authorities) pass information to CUE (run by Insurance Database Services Ltd) which aims to prevent multiple claims fraud and the misrepresentation of claims histories.

- **Motor Insurance Database**

Motor insurance details are added to the Motor Insurance Database run by the Motor Insurers' Information Centre which has been formed to help identify uninsured drivers and may be searched by the police to help confirm who is insured to drive. In the event of an accident, the database may be used by insurers and the Motor Insurers' Bureau to identify relevant policy information.

- **Means of Communication**

We will provide our recommendations and insurer policy documentation to you via the email address(es) you have provided. If you would rather receive these in a paper format please inform your usual Griffiths & Armour contact.

- **Conflicts of Interest and Remuneration**

We shall seek to avoid conflicts of interest but, where this is unavoidable, we shall explain the position fully to you and manage the situation in such a way as to avoid prejudice to any party.

Our normal means of remuneration is from commission or brokerage earned in relation to insurances placed (which is included in the premium the insurer charges you), and/or by way of a fee negotiated and agreed with you. We will not impose on you any fees or additional charges without prior notification or discussion with you.

We may also act as a reinsurance broker and/or service provider to insurers with whom we have placed your insurances and receive remuneration by way of administrative fees or commissions for services provided to underwriters. Some insurers will also pay additional amounts to insurance intermediaries, usually at the end of their accounting period and normally on a contract by contract basis, in recognition of profitability (sometimes called 'profit commissions'), prompt payment or based on market volume incentive. We may receive remuneration from premium finance and credit agencies.

Brokerage and fees are earned for the policy period on placement and we will be entitled to retain all fees and brokerage in respect of the full policy period in relation to policies placed by us.

Prior to the inception of each insurance contract, or upon renewal, we will inform you in writing of your right to be advised of the level of commission which we receive from underwriters.

You are entitled, at any time, to request information regarding any commission which we may have received as a result of placing your insurance business.

GOVERNING LAW

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, you and we will irrevocably submit to the non-exclusive jurisdiction of the English courts.

VARIATION OF TERMS AND CONDITIONS

You agree that we have the right to vary this document by sending you a revised Terms of Business letter. Any variation will apply in respect of any service/transaction entered into by us after notice of the change is given, and will take effect immediately.

LIMITATION OF LIABILITY - PLEASE SEE OVER

LIMITATION OF LIABILITY - IMPORTANT NOTICE

1. This section forms part of our Terms of Business. We accept instructions to act on your behalf strictly subject to the following limitation upon our liability.
2. 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 £1,000,000 or its equivalent from time to time in Euros or any other relevant or appropriate currency in respect of any one transaction or series of related transactions.

This 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 his compulsory jurisdiction.

3. In section 2 above:
 - i. '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;
 - ii. '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;
 - iii. 'a series of related transactions' has its ordinary meaning (save that 'transaction' has the meaning given at (ii) above), but includes (without limitation), (a) transactions concerning, connected with or arising out of the same policy of insurance or reinsurance arrangement, or, (b) where different policies or 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.

4. We are always prepared to discuss increasing the limit of our liability specified in this section in relation to any individual engagement, if particular 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 partner in Griffiths & Armour.
5. Under these Terms of Business, you agree not to make any claim against any employee, director, partner, consultant or other individual connected with us. See paragraph 6 below. However, it is also understood and agreed that if for any reason the provisions of paragraph 6 hereof are held to be invalid or unenforceable in whole or in part, any claim made by you against any employee, director, partner, consultant or other individual connected with us is also subject to the limit of liability of £1,000,000 contained in this clause, and you understand and agree that any such individual may avail himself of this limitation.
6. You agree:
 - i. that your remedies in relation to the provision of professional services by us, arising out of or in connection with this engagement, lie exclusively against us and not against any employee, director, consultant or partner as individuals;
 - ii. that you will not make any claim and/or bring any legal proceedings against any employee, director, partner, consultant or other individual, in respect of any act or omission by any such person or persons (whether negligent or not).

You understand and agree that the provisions of this clause may be enforced by any employee, director, partner, consultant or other individual connected with us in accordance with the Contracts (Rights of Third Parties) Act 1999.

OUR VALUES:

SUPPORTIVE

PERSONAL

PROACTIVE

RELIABLE

& that's the difference

griffithsandarmour.com

 **Assurex**
GLOBAL



DISCLAIMER

Insurance Brokers is a division of Griffiths & Armour, a partnership which is authorised and regulated by the Financial Conduct Authority in the United Kingdom. Risk management services are not regulated by the Financial Conduct Authority.