



Dive Master Insurance Consultants Limited

TERMS OF BUSINESS AGREEMENT

Dive Master Insurance Consultants Limited
Client TOBA 01.05.17

Dive Master Insurance Consultants Limited is authorised and regulated by the
Financial Conduct Authority (FCA reference number 306316)



Dive Master Insurance Consultants Limited

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Registered in England No. 2658166

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What is the purpose of this Agreement?

It is our aim to treat all our customers fairly, openly and honestly. The purpose of this Agreement is to give you information about who we are and what we are offering to do for you so that you understand our role. For your protection, it gives you information about our regulatory and statutory responsibilities, including how we handle your money and it highlights your obligations to your insurers, as, if you do not comply with these, your policy may not be valid.

It is important that you read this Agreement carefully.

Please contact us immediately if there is anything in the Agreement that you do not understand or accept, as otherwise, we shall proceed on the basis that we have your informed consent to the terms of this Agreement. In respect of corporate clients we shall be entitled to assume that the recipient of this Agreement has obtained authorisation or is entitled to consent on behalf of the corporate body to the terms of this Agreement.

In this Agreement, reference to “insurers” shall mean insurers, underwriters, managing agents, or, where applicable, reinsurers with whom we place business.

This Agreement shall apply with effect from the date that we provided it to you and supersedes any terms of business agreement that we may have previously sent to you. If there is a more specific or service level agreement in place between us, its terms will take precedence over this Agreement in case of conflict.

Please read this document carefully.

We specifically draw your attention to the following sections:

- (a) How do we handle your money? and
- (b) Your duty of disclosure

Who are we?

Dive Master Insurance Consultants Limited is a company incorporated in England and Wales (registered number 2658166) whose registered office is at 17-23 Rectory Grove, Leigh-on-Sea, Essex, SS9 2HA UK. You can find out more about us at www.divemasterinsurance.com.

We are a registered Approved Cover Holder at Lloyd's and are authorised to bind insurance to certain Lloyd's syndicates on their behalf. We are regulated by the Financial Conduct Authority. Our Financial Conduct Authority ("FCA") firm reference number is 306316. We are permitted by the FCA to conduct business as a general insurance intermediary. These details can be checked on the FCA's website at www.fca.org.uk/register. The FCA's telephone number is 0800 111 6768 (+44 20 7066 1000 from overseas).

What do we do?

Our services to you may include advising you on your insurance needs, arranging insurance policies to meet those needs and supplying appropriate documentation. We will help you make changes to your insurance policy should this be required and will remind you when your policy is due for renewal. In certain circumstances, we may act for your insurer, for example, where we have delegated underwriting authority and/or claims settlement authority. We always aim to treat you fairly and avoid conflicts of interest. We never deliberately put ourselves in a position where our interests, or our duty to another party, prevent us from discharging our duty to you. In the event that a conflict arises that is complex or difficult to manage, we will discuss this with you.

How are we paid for our services?

Payment for our services is usually either by way of a policy administration fee, and by a percentage of the insurance premium paid by you and given to us by the insurers with whom we place your business.

Unless we have specifically agreed otherwise, we earn our brokerage/commission or fees when we place the insurance policy for you. We reserve the right to retain our remuneration even if the insurance contract is subsequently amended or cancelled.

Which insurers do we use?

In finding a suitable insurance solution that meets your requirements we will usually place your business under a delegated underwriting authority or line slip. Where we recommend a delegated underwriting authority or line slip as the most appropriate solution for your needs, we will not necessarily have undertaken a full market analysis.

We use public information, including that produced by credit rating agencies, to identify insurers with whom we will consider placing your business.

We do not in any circumstances guarantee the financial status of any insurer. In the event of an insurer's insolvency, you may still have a liability to pay premium and we are not legally responsible for any shortfall in amounts due to you in respect of any claims.

How do we maintain your privacy?

We undertake to keep any information obtained from you confidential and only use it for the purposes of placing insurance, or as may be specifically agreed with you.

Please be aware that UK money laundering regulations may require us to obtain evidence of the identity of customers for whom we act at the start of a business relationship.

We are registered under the Data Protection Act 1988 and we undertake to comply with the Act in all our dealings with your personal data. Under the Act you have the right to see personal information about you that we hold in our records.

All information about you of a sensitive or personal nature will be treated as private and confidential, even when you are no longer a customer. We will however use and disclose the information we have about you in the course of arranging, placing and administering your insurance. This may involve passing information about you to The Financial Conduct Authority, insurers, other intermediaries, risk management assessors, uninsured loss recovery agencies and other third parties involved (directly or indirectly) in your insurance.

We may also pass information about you to credit reference agencies and premium finance providers in connection with the assessment of your financial standing generally and, in particular, where you have requested a premium instalment plan – this may include details of your payment record with us.

In the interests of security and to improve our service, telephone calls you make to us may be monitored and/or recorded for training purposes.

How do we handle your money?

In our role as an intermediary between you and your insurers we may hold money on your behalf, either paid by you to be passed on to insurers or paid to us by your insurers, to be passed on to you.

For your protection, our handling of your money is subject to detailed Financial Conduct Authority rules designed to minimise the potential risk that, in the unlikely event of our financial failure, you may lose some or all of the money that we are holding on your behalf.

The purpose of this section is to inform you how our compliance with the Financial Conduct Authority rules reduces your risk.

Risk transfer (money we hold as agent of an insurer)

Wherever we can do so, we eliminate the risk to you through a process known as “risk transfer”. Under risk transfer, we have an agreement with your insurer to hold money as their agent. Money we receive, either from you or from them, will be their property whilst we hold it. This means that when you pay money to us it is treated as having been received by the insurer and you cannot be asked to pay it again if we do not pay it over to the insurer. If your insurer pays money to us for onward transfer to you and we fail to do this, the insurer will still be liable to pay the money to you.

Financial Services Compensation Scheme

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the FSCS if we cannot meet our obligations. This depends upon the type of business and the circumstances of the claim. Further details regarding this Scheme are available at www.fscs.org.uk.

Your duty of disclosure – Consumer Insured

If you are a consumer insured (an individual buying insurance wholly or mainly for purposes unrelated to your trade, business or profession) you have a duty to take reasonable care to answer the insurer's questions fully and accurately and to ensure that any information that you volunteer is not misleading. This duty exists before your cover is placed, when it is renewed and any time that it is varied, and your policy wording may provide that it continues for the duration of the policy. If you do not do this, your insurer may be able to impose different terms on your cover, may charge you a higher premium or, in some circumstances, may be able to avoid your policy from inception and any claims under it would not be paid.

The Consumer Insurance (Disclosure and Representations) Act 2012 will give you legal protection if you unknowingly give incorrect or incomplete information to your insurer. This means your insurer will not be able to decline a claim on the grounds of non-disclosure unless you carelessly or deliberately lied or misrepresented your circumstances.

If you are a business insured (i.e. not a consumer insured) you have a duty to make a fair presentation.

A fair presentation of the risk is one that meets the following criteria:

1. Disclosure of every material circumstance which you know or ought to know, or failing that, Disclosure which gives a prudent insurer sufficient information to put on notice that it needs to make further enquiries for the purpose of revealing those material circumstances.
2. Disclosure in a manner which would be reasonably clear and accessible to a prudent insurer.
3. Every material representation as to a matter of fact is substantially correct, and every and material representation as to a matter of expectation or belief is made in good faith.

This applies to disclosure before the contract is concluded, for new contracts and renewals, as well as mid-term variations.

Your duty of disclosure – Commercial Insured

The Insurance Act 2015 (valid from 12th August 2016) provides Insurers with new proportionate remedies following a breach of the new duty of fair presentation. For example, where a deliberate or reckless breach of fair presentation occurs, insurers can void the insurance, refuse all claims and retain any premiums paid.

Your responsibilities

You are responsible for providing complete and accurate information which insurers require in connection with any proposal for insurance cover. You have a duty to give a fair presentation of risk to the insurer. You should disclose every material circumstance relevant to the risk being insured following a reasonable search within your business to identify and verify such information. This should include information which you and, where applicable, your senior management, persons responsible for arranging your insurance or other relevant third parties know or ought to know. It should include all information that would influence the judgement of the insurer or that would put the insurer on notice that it needs to make further enquiries.

Examples of material circumstances are:

- Special or unusual circumstances relating to the risk;
- Any particular concerns which led you to seek insurance cover for the risk; and
- Anything which those concerned with the class of insurance and field of activity in question would generally understand as being something that would be dealt with in a fair presentation of risks for this type of insurance.

The information must be presented in a way which would be reasonably clear and accessible to a prudent insurer. If you are unsure whether to disclose any information you should speak to us. You need to take into account the size & complexity of your business, and allow yourself sufficient time before your renewal date to consider and / or assess your insurance requirements.

Failure to provide a 'fair representation' may result in a number of remedies by the insurer. If the breach was deliberate or reckless the insurer can void the contract and keep the premium. If the breach was not deliberate or reckless the insurer can void the contract, proportionately reduce a claim settlement or amend the insurance policy terms and conditions then review the merits of a claim on this basis.

You should therefore always provide complete and accurate information to us when we ask you about the insurance risks your business faces before taking out a policy, at renewal and throughout the life of the policy. This also applies to your responses in relation to any assumptions you may agree to in the process of applying for insurance cover.

You must check all details on any proposal form or Statement of Facts and pay particular attention to any declaration you may be asked to sign. It is important that you read all insurance documents issued to you and ensure that you are aware of the cover, limits and other terms that apply. Particular attention must be paid to any warranties and conditions as failure to comply with them could invalidate your policy.

You must inform us immediately of any changes in circumstances which may affect the services provided by us or the cover provided by your policy. If you are unsure about any matter please contact us for guidance.

Warranties

Warranties are to be treated as 'suspensive conditions' meaning that an insurer's liability will be suspended during a period of breach. If a warranty applies to your policy it is essential that you fully comply with it at all times to ensure that your policy cover remains in force. Failure to do so may result in claims not being paid.

It is very important that you read the full insurance policy / contract wording carefully and, if you are unsure or unable to comply, please contact Dive Master Insurance or your broker (if applicable) immediately.

Conditions Precedent

Please take note of any conditions precedent that appear in the insurance policy / contract.

If a condition precedent to the validity of this insurance policy / contract or the commencement of the contract endorsement is not complied with, the insurers will not come on risk. If a condition precedent to the insurer's liability under this contract is not complied with, the insurers will not be liable for the loss in question.

A condition precedent may exist in the insurance policy / contract using other terminology and without reference to the words "condition precedent".

It is very important that you read the full insurance policy / contract wording carefully and, if you are unsure or unable to comply, please contact Dive Master Insurance or your broker (if applicable) immediately.

Subjectives

If the cover provided is granted by insurers subject to certain requirements, failure to comply may result in cover not being in place. Please contact Dive Master Insurance or your broker (if applicable) immediately if you are unsure as to the meaning of a subjectivity or are unable to comply.

Under-Insurance

It is important that you review your cover and sums insured to avoid under-insurance (when the sum insured is not enough to cover the maximum possible loss or damage) as this may affect the settlement amount in the event of a claim.

Claims Notification

The prompt notification of claims is a requirement of all insurance policies / contracts and failure to comply with this might prejudice the position should a claim occur. It is therefore essential that you inform Dive Master Insurance or your broker (if applicable) immediately of any claim made against you or of any occurrence which may give rise to a claim under this insurance policy / contract.

Quotations

All Quotations will include the period that they remain valid for within the quote information. Samples of policy wordings and all other information you may need to make a decision such as Key Facts are also provided on our website or can be obtained by telephone or email request.

Your policy documentation

When you commit to buy our products you will receive copies of the Policy Wordings and Key Facts for individual insurance policies. You will also receive a schedule of insurance in a certificate and in some cases a plastic validation card.

For products purchased online a schedule of insurance in an e-certificate is issued and sent automatically with Key Facts and a Policy Wording document to your email address. Where IDEC plastic validation cards are issued, these are sent to you by mail. Copies of your online purchased insurances are kept in your personal account area and you can review these and download them at any time.

Responsibility for checking you are on cover

It is your responsibility to ensure that you have received your insurance documentation.

You must contact Dive Master Insurance Consultants Limited if your e-certificate is not delivered to your email address, or if the schedule of insurance is issued incorrectly as this may affect the cover within the policy.

Please pay special attention to the claims notification provisions and to any warranties and conditions as any failure to comply may invalidate your cover.

With some types of insurance, claims may be made long after the expiry date of the policy. It is therefore important that you keep your policy documentation in a safe place. It is our current practice to retain customer information for at least six years. After this period, your information may be destroyed at our discretion without notice to you.

No cover should be assumed by you until you receive confirmation from us that your proposal has been accepted and your payment transacted.

Renewals

Renewals are invited on the basis that there have been no changes in the risk, other than those declared and agreed by us (see **Your duty of disclosure section**) and will be invited for renewal a minimum of 15 days prior to the renewal date.

Auto Renewal Service - some of the policies that we provide include an automatic renewal service designed to ensure that you have continuous cover. Where a policy includes an auto renewal this will be stated in the wording and the terms of the auto renewal will be explained therein. If you do not want to auto-renew your policy, log into your account and select "Current Policies" then deselect the auto-renewal option. Alternatively please call Dive Master on +44 (0) 1702 476902. If we do not such

instructions, we will collect the renewal premium(s) from the credit card or debit card used for your original purchase. Please note that if we are unable to collect the renewal premium your policy will not be auto renewed, and you will need to apply online with new card details.

We reserve the right not to invite renewal and we will notify you accordingly.

Anti-Bribery and Corruption

You will ensure that at all times you comply with all applicable laws statutes and regulations relating to anti-bribery and corruption. In particular, you shall comply with each of the Bribery Act 2010 of the United Kingdom, Foreign and Corrupt Practices Act 1977 of the United States and any other applicable legislation.

In prevention of bribery, corruption, or other financial crime, additional due diligence may be carried out and further steps taken, including, where appropriate, the notification to the relevant authorities, status and credit checks using credit reference agencies, and other background checking, as deemed appropriate.

Your premium payment obligations

Insurers require you to pay premium at, or prior to, commencement of each policy, or as otherwise specified under the policy terms, and at the date of any invoice/debit note for any adjustment premiums.

Insurers may impose a time period within which the premium has to be paid. If payment is not made within that period, insurers may cancel your policy. Insurers may also require that you pay a premium in relation to the time that you have been on risk. It is therefore very important that you meet all payment dates. Please note that we can only pay premium to insurers on your behalf once we have cleared funds from you.

Dive Master Insurance Consultants Limited must receive a satisfactorily completed proposal form and payment of the premium including applicable taxes and charges in full before we issue you with your insurance documents.

Payment for consumer insurance policies will be taken online via your credit or debit card using a secure online payment system. Should you wish to pay via any other method then please contact us for advice on alternative methods of payment.

Commercial clients may obtain Premium Finance options from Premium Credit.

Where premium finance has been arranged with Premium Credit, the payments must continue in accordance with the premium finance agreement to maintain coverage.

Dive Master Insurance Consultants Limited may place a risk on cover and issue the client with a temporary cover note pending the completion of a proposal or a renewal request. If the policy is not taken up after a period of being held on cover, a charge for the period of cover may be applied. Dive Master Insurance Consultants Limited has the right to cancel policies or let lapse policies where payment is not received or defaulted upon.

Policy Issuing Fee

For all sales we charge a policy issuing fee. This helps us to cover the cost of administering the policy. This will be included within the quotation.

Midterm & other Administration Charges

We may charge a mid-term administration fee in relation to midterm policy additions, amendments, changes or cancellations. We may apply these charges where you lose or mislay your documents and if you require replacements documents to be issued by us.

The minimum charge is **£5.00** but depending on circumstances we can apply a maximum charge of up to **£50.00** for additional administration caused. We will always advise you when these charges apply and seek your agreement to them before you commit to chargeable situations.

Our charges as follows:

Individual Policies (IDEC/Travel/Equipment/Pro Diver & Sport Diver)

- Midterm addition/endorsement or policy amendment- £10.00
- Cancellation- £10.00
- Replacement IDEC Card- £5.00
- Postage of policy documents £5.00 (Free of charge electronically)

Trade INDIGO and Property Policies

- Midterm addition/endorsement or policy amendment- £20.00
- Cancellation- £50.00
- Postage of policy documents £10.00 (Free of charge electronically)
-

We may waive these charges if the additional administration caused was beyond your control. If you do not receive your documents as a result of our actions we will provide replacements free of charge. If you are a client that resides outside of the UK and your premium is not charged in GBP then currency equivalent of the above administration charges will apply.

Making a claim

It is your duty to notify all claims and/or circumstances that may give rise to a claim promptly and within the terms and conditions of any claims notification clauses/provisions of the policy.

It is your responsibility to prove your loss. You will therefore be required to provide to insurers documentation and information to substantiate any claim made under the policy.

If we no longer place insurance for you, but you wish for us to continue to assist you with claims on policies that we arranged for you, we reserve the right to agree a fee for these additional future services.

What if you wish to make a complaint?

We value our relationship with you. Our aim is that you should benefit from our commitment to a high quality service using our experience and breadth of specialist scuba diving insurance. We will always endeavour to give you a high standard of service but please be aware that should you ever have cause to make a complaint, please do so by contacting any member of our staff by whatever means is convenient to you.

It is our aim to try to resolve your complaint to your satisfaction by the end of the working day after you first notify us.

Further information regarding our complaints procedure can be found here <http://www.divemasterinsurance.com/complaints/>

Termination of this Agreement

Without prejudice to any rights that have accrued under this Agreement or any other rights or remedies, either party may terminate this Agreement:

- (a) by giving not less than 30 days notice in writing to the other;
- (b) immediately if the other party enters into any form of liquidation, receivership, administration or bankruptcy;

Consequences of Termination

In the event that our services are terminated we reserve the right to retain our earnings in respect of the policies we have placed on your behalf.

Rights of Third Parties

Unless otherwise agreed between us no terms of this Agreement shall be enforceable by a third party under the Contracts (Rights of Third Parties) Act 1999 of the UK.

Notices

If notice is given to us under or in connection with this agreement it shall be in writing and sent to our registered address. We shall be entitled to give you a notice under or in connection with this agreement at your registered address (if a company) or at your last known address.

Governing Law

This document shall be governed by and construed according to the Laws of England and Wales and any disputes in relation hereto shall be determined by the Courts of England and Wales.

We shall not be prohibited from dealing with your clients business on behalf of another intermediary who has obtained formal appointment to act for your client.

You acknowledge that when you request us to provide services to enable you to access products or services of a market that you might not otherwise have access. Once we provide terms of new, renewal or additional insurance for your clients you will not seek to obtain the same or similar insurance from the insurers we propose, without our prior permission.

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