
TERMS OF BUSINESS AGREEMENT

INSURANCE MADE TO MEASURE

LARK

This Agreement is between 'You' the client or potential client and Lark Group Ltd 'Lark', and applies to all work that Lark carries out on Your behalf. Please read this Agreement carefully and contact Lark if there is anything in this Agreement with which You disagree or do not understand.

Lark specifically draws Your attention to 15. Client Money.

1. INTRODUCTION

Lark is an independent intermediary and is authorised and regulated by the Financial Services Authority (FSA) and bound by its rules in respect of insurance mediation activities. Our FSA register number is 307663. You can check this on the FSA's Register by visiting the FSA's website www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234.

Lark is not tied to any insurer. However Groupama SA owns Groupama Insurance Company Limited and GUK Broking Services Limited which controls a majority shareholding in Lark Group Limited. Lark does not have any holdings or voting rights in any insurer.

2. OUR SERVICE TO YOU

We will normally provide advice to You on the basis of a fair analysis of the market, as distinct from using only a single or limited number of insurance undertakings (details of which can be provided on request). Where our service differs to this we will advise you accordingly.

We will provide You with details of the cover effected on Your behalf, including the insurer(s) who are underwriting the risk, and where we make a personal recommendation to you we will clarify the scope of the advice given and explain the reasons. This will be provided in a durable medium (hard copy). Although our letter/report will set out key aspects of the cover, this is not intended to be a substitute to the insurer(s) policy wording, which will take precedent in setting out the terms of the cover. Lark will use its best endeavours to place cover on Your behalf, but it does not guarantee to be able to do so.

3. CONFLICTS OF INTEREST

We undertake not to transact business for you in which we or one of our other customers or any director/partner/employee has a known interest, or we become aware that these interests conflict with yours, unless that interest is first disclosed to you and your written consent is obtained.

4. SECURITY

Whilst we make every effort to ensure that cover is placed with financially strong companies we do not guarantee the solvency of any insurer we place business with. If a participating insurer becomes insolvent you may still be liable for the premium, whether in full or pro-rata. Lark shall not be responsible for any losses that you may incur as a result of any solvency difficulties experienced by insurers.

5. YOUR OBLIGATIONS

When instructing Lark to place or to renew insurances, You must fully disclose any facts known, or which ought to be known, to You (a Material Fact) likely to influence an insurer's decision in connection with the risk. This duty continues throughout the term of Your insurance

All answers or statements given on a proposal form, claim form or other document relevant to Your insurances will be Your responsibility and You should always check the accuracy of the information You provide to us and/or insurers. Where You have more than one insurance through Lark, You should disclose material facts for each insurance and not rely on details given in respect of the other insurance(s). Failure to disclose, or misrepresentation of, material facts entitles insurers to decline claims and may lead to Your policy being completely 'invalidated'. You should seek our advice if You are in any doubt as to whether any facts might be material.

When a policy is issued, You must check this carefully to confirm that this meets Your needs. If You are in any doubt over any of the policy terms and conditions please seek our advice promptly.

6. RENEWALS

Once Lark has arranged a policy to which You have agreed, the placement of that policy will not automatically be reviewed

at each renewal unless You request it and/or Lark deems it necessary.

Whilst we will make every effort to contact You prior to renewal to obtain your instructions, if for whatever reason we are not in receipt of Your instructions by Your renewal date, in order to protect Your position, we may at our absolute discretion renew Your policy on the basis of our recommendation. However we reserve the right not to renew your policy if we do not receive Your instructions by the renewal date, and we will not be held liable for any loss You may suffer if you fail to provide the necessary instructions in sufficient time before renewal.

7. CLAIMS

You must tell Lark as soon as reasonably possible of any incident which may result in a claim under any insurance arranged by Lark and of all material facts relating to the incident. This does not over-ride any additional obligations imposed by insurers, details of which will be set out in the policy wording. Lark will advise insurers in accordance with the circumstances notified by You. You will be required to give all necessary information and assistance required by insurers in order to deal with Your claim.

8. LANGUAGE OF COMMUNICATIONS

All communications between You and Lark including all communication of

terms and conditions will be in English unless otherwise agreed in writing.

9. ELECTRONIC COMMUNICATIONS

Both parties may communicate with each other using electronic mail and attachments. Both parties accept the inherent risks of using such means of communication. Electronic mail will be considered to have been received by the other party when actively acknowledged by them. Both parties are responsible for checking that messages received are complete and both agree that in the event of a dispute neither will dispute the legal evidential standing of an electronic document. Any agreement reached using electronic mail will be binding on both parties.

10. TELEPHONE COMMUNICATIONS

Both parties may communicate by telephone but it is agreed that no instructions that require action will be left on any messaging service since neither party can guarantee that they will be received or actioned. Telephone conversations may be recorded for training purposes.

11. DATA PROTECTION

Lark is committed to keeping Your data confidential and processes all information in accordance with the Data Protection Act 1998. The information You supply is used to enable Lark to fulfil its role.

Information may also be supplied to professional regulatory bodies if required by them and to other parties if required or permitted by law. Lark does not sell, rent or trade its mailing lists, phone numbers or email addresses. Companies within Lark Group Limited may contact You about products and services which may be of interest to You. If You do not wish Your data to be used in this way You should write to the Compliance Officer, Lark Group Ltd, Wigham House, Wakering Road, Barking, Essex, IG11 8PJ.

Unless specifically instructed by You in writing, it is our policy to retain documents and data for business effected on Your behalf in electronic or paper format for a minimum of seven years after which time these may be destroyed without notice to You. You should therefore retain all documentation issued to You.

12. COMPLAINTS

It is always Lark's intention to provide You with a quality service. However should You have cause to complain please refer this to the Compliance Officer, Lark Insurance Broking Group, Wigham House, Wakering Road, Barking, Essex, IG11 8PJ. Your complaint will be acknowledged within five working days advising who will be handling the complaint. You will then receive a detailed response within four weeks, unless Lark writes to You advising that this will be delayed. If You are not satisfied with Lark's response You may be eligible to refer Your complaint to the

Financial Ombudsman Service, which is an independent complaints resolution service. A full copy of our complaints procedure is available on request.

13. COMPENSATION

Lark is covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme should Lark be unable to meet its obligations. This depends on the type of business and the circumstances of the claim. Insurance advising and arranging is currently covered for 90% of the claim, without any upper limit. For compulsory classes of insurance, insurance advising and arranging is covered for 100% of the claim, without any upper limit. Further information about compensation scheme arrangements is available from FSCS.

14. PAYMENT OF PREMIUM AND OTHER MONIES

Unless payment is made direct to the insurer or to a premium finance company, You must pay Lark all amounts due in accordance with the payment date specified on Lark's invoice or other documentation. If payment is made to a premium finance company, You must return all the necessary documentation by the required date. As Lark is under no obligation to fund premium to insurers on Your behalf, failure to pay the monies due by the payment date may lead to insurers cancelling Your policy.

We reserve the right to make charges, in addition to any insurance premiums, for the arranging, amending, renewing and canceling any policy of insurance, however you will not incur a liability to pay a fee unless we have given you prior notice of this.

15. CLIENT MONEY

Lark, in the course of carrying on insurance mediation, handles client money in accordance with the FSA Client Assets Sourcebook (CASS) rules, which are designed to protect You. A copy of these rules is available on request.

Lark handles client money in either one of the following ways:

- i. it is held on Your behalf in a segregated bank account that is subject to a non-statutory trust; or
- ii. it is held by Lark as agent of the relevant insurer ("risk transfer")

Non-Statutory Trust

The aim of the trust is to protect You in the event of the failure of Lark, or the failure of the bank or a third party at which the money may be held. In such a circumstance, Lark's general creditors should not be able to make claims on client money as it will not form part of Lark's property. The fact that Lark will hold money on trust gives rise to fiduciary duties which will be owed to You until the client money reaches the insurer.

By holding client money subject to a non-statutory trust, Lark is entitled to and may make advances of credit from the trust to enable a client's premium obligation to be met before the premium is remitted to Lark. Similarly, it allows claims and premium refunds to be paid from the trust to a client before receiving remittance of those monies from the insurer.

Risk Transfer

Client money will only be held by Lark as agent of a relevant insurer in accordance with a written agreement with that insurer. The written agreement will specify the extent to which risk transfer will apply and whether it includes all items of client money or is restricted for example, to the receipt of premiums.

Where risk transfer applies, You will be protected to the extent that any premiums Lark receives from You are treated as having been received by the insurer. Where the agreement extends to premium refunds and/or claims; any premium refunds or claims will be treated as received by You only when they are actually paid to You. Risk transfer will apply to client money unless Lark notify You otherwise.

Segregation of Bank Accounts

Client money is kept separate from our own money. Client money will be deposited into a client bank account with an authorised UK clearing bank. Any interest earned on client money that is subject to a non-statutory trust will be retained by Lark.

Segregation of Designated Investments

Lark may also arrange to hold client money, that is subject to a non-statutory trust, in separately permitted designated investments with a value at least equivalent to the money that would otherwise have been paid into a client bank account. If Lark undertake this, Lark will be responsible for meeting any shortfall in Lark's client money resource which is attributable to falls in the market value of a segregated investment. Any investment returns on any segregated designated investments will be retained by Lark.

Commission

Lark can only withdraw commission from the client bank account.

- i. when Lark actually receives the premium as cleared funds from You (or from a third party premium finance provider on Your behalf);
- and
- ii. at the point at which the commission becomes due and payable to Lark for its own account. Until that point commission will remain client money.

Commission will become due and payable to Lark for its own account immediately on receipt of the premium, provided this is consistent with the terms of business of the insurer to whom the premium is payable.

For Commercial customers, prior to the conclusion of each insurance contract,

or upon renewal, we will remind you 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.

Payment to Third Parties

Lark may transfer client money to another person, such as another intermediary, for the purpose of effecting a transaction through that person. Where Lark transfers client money that is subject to a non-statutory trust, to another person, Lark will not automatically discharge its duties to You as trustee.

16. GOVERNING LAW

This Agreement is governed by and construed in accordance with the laws of England and Wales. If there is a dispute, it will be subject to the jurisdiction of the courts of England and Wales.

17. THIRD PARTY RIGHTS

No other person has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement other than other member companies of Lark Group Limited.

18. AMENDMENT TO TERMS

Lark may amend the Terms of the Agreement at any time by giving You fourteen days notice in writing.

19. DURATION

This Agreement shall commence from the date that You appoint Lark to act as Your intermediary or You instruct Lark to arrange insurances on Your behalf whichever of these dates is the earlier. This Agreement shall then continue until cancelled in accordance with the Termination Clause below.

20. TERMINATION

You or Lark may terminate this Agreement by giving seven days notice in writing. In the event of termination by You, Lark will be entitled to receive all fees or brokerage payable (whether or not these have been received by Lark) in relation to policies placed by Lark prior to termination.

In the event that this Agreement is terminated, Lark will cease to be your agent. As a consequence of this Lark will no longer provide you with any services, including claims handling where this service is provided to You prior to termination, except where we are required to continue handling Your claim under the terms of our delegated authority from certain insurers. If you still require services from Lark these will be subject to a new written Agreement and Lark reserves the right to make an additional charge for these services, however there is no obligation on Lark to agree to perform such services.
