



RYDE TOWN COUNCIL OFFICER REPORT

Committee:	Finance and Community Resources Committee
Date:	14/06/2023
Report Author:	Tara Bloomfield
Report Title:	Insurance Renewal

1. SUMMARY

Ryde Town Council have been locked into a 3-year deal (with a one-year extension in 22/23) for insurance. The RFO has gone out to several companies for a new three-year deal to continue to give the council financial stability for insurance costs.

2. FINANCIAL IMPLICATIONS & OPTIONS

Provider:	2022/23	2023/24	Total 3 year costs*
Gallagher	£10,817.01	£10,904**	£32,712
Zurich	N/A	£10,301.79	£30,905
BHIB Insurance	N/A	Cannot provide cover	

** this is based on RTC current asset values and may be subject to change if amendments are made to the policy*

***this cost includes a broker fee of £1,287.87, so net insurance cost is £9,616.13*

3. RECOMMENDATIONS

It is recommended that councillors agree to renew our insurance via Gallagher. Despite the costs being £602.21 extra per year, the service and support that Ryde Town Council receive from Gallagher is invaluable, which includes support with all insurance claims and face to face appointments to ensure the council has adequate cover.

Renewal Report

Ryde Town Council

Renewal Date: 01 July 2023

Prepared: June 2023

Presented by: Chris Pearce - Dip CII

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Gallagher

Insurance | Risk Management | Consulting

Contents

Executive Summary	1
Your Gallagher Service Team.....	2
About You.....	3
Your Premium	4
Insurance Programme.....	5
Commercial Combined	5
Our Service & Remuneration	13
Payment Options.....	14
Important Information	15
Terms of Business Agreement.....	22
Appendix 1 – Insurer(s) Quotation(s).....	23

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Important Notice

Please ensure that you have read and understood our Important Information section, which can be found at the end of this report. This includes key information on your Duty of Fair Presentation.

Please read this report carefully to ensure that the level of cover quoted is sufficient to meet your needs, paying particular attention to the terms and conditions, exclusions, warranties, subjectivities, excesses and any endorsements. It is your responsibility to make sure all sums insured or limits remain sufficient, please let us know immediately if any alteration is required.

Executive Summary

Your Requirements

We have assessed the information about your business circumstances that you have provided to us to help us to identify your requirements and make recommendation(s). We have based our understanding of your requirements on this information for the policies detailed within the body of this report.

Where you have opted for any optional add-on product(s) to access additional cover which complements one of your policies, or suits your specific needs, we have detailed these within the body of this report.

Statement of Demands and Needs/Our Recommendation

Under each policy we have made a recommendation of placement with the Insurers advised based upon the information that you have previously shared with us, and your requirements to purchase the suite of policies contained within this report. Each policy has relevant information on the price, extent of cover and policy benefits provided by the insurer we are recommending. Where we make our recommendation, we believe the cover(s) provided are the most suitable from the insurer(s) that we have approached and based on the information you have provided. Where we have not been able to meet one or more of your requirements, or where you have chosen not to take up one or more of our recommendations, we have also set this out.

The levels of cover are summarised within the content of this report, or included as associated documentation such as your quotation schedule, statement of fact or summary of cover. Please ensure you read this report and any enclosures carefully to confirm that the cover meets your requirements, paying particular attention to exclusions, warranties, conditions, excesses and limits.

If you require any changes to be made or information corrected, please advise and contact us as soon as possible, as failure to do so could mean that your insurance is voided, or may lead to the insurer not paying all or part of your claim.

Other Covers and Services Discussed

We have previously discussed the following covers and you confirmed these are covered elsewhere or were content to remain uninsured: -

- Cyber Insurance
- Crime Insurance

Covers discussed and insured elsewhere

None

Covers we have recommended, but you don't wish to take advantage of:

- Cyber Insurance
- Crime Insurance

For a list of other covers/policies available, please refer to our website: -

www.ajg.com/uk/corporate-insurance

If, at any time, you would like to reconsider these exposures, please contact us and we would be happy to provide you with further information. We would like to keep these under review with you at regular intervals

Your Gallagher Service Team

Account Executive

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Account Handler

Max Groves – Cert CII

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About You

Full Insured Title

We are arranging your policies in the full trading name of:

- Ryde Town Council

Individual Policies within your programme may be issued in a different Insured title, where this is the case reference should be made to the individual heads of cover.

Full Business Description

Your insurers have been informed of the following business description:

- Local Town Council

Certain Policies may provide cover in respect of specific activities only, please refer to the individual policy covers detailed further in this report.

It's important to let us know of any alterations to your insured title, business description or the activities that you undertake, so we may update your Insurers. Failure to present your risk fairly could mean that the policy is void or that Insurers are not liable to pay all or part of your claim(s). Please refer to the Duty of Fair Presentation Important Information section of this report, and within our Terms of Business Agreement which sets out your obligations.

Your Premium

This is a high level summary for this year's premiums:

Policy Cover:	Last year's Premium (2022)	Expiring Premium	Renewal Premium (2023)	Recommended Premium
Commercial Combined	£8,309.91		£8,585.83	£8,585.83
Subtotal before Taxes & Fees	£8,309.91		£8,585.83	£8,585.83
Insurance Premium Tax	£997.18		£1,030.30	£1,030.30
Broker Fee	£1,306.49		£1,287.87	£1,287.87
Total	£10,613.58		£10,904.00	£10,904.00

Please note that if you are paying your insurance premiums using premium finance then the cost to you may be higher. Please refer to the Premium Finance section found under the Payment Options section of this report for full details of costs applied.

Notes:

1. Insurance Premium Tax (IPT) is applied at the current rate
2. Please be aware that certain policies may be subject to Value Added Tax (VAT) instead of Insurance Premium Tax (IPT), such as: Engineering Inspection
3. The Expiring premium represents like-for-like figures calculated by applying previous years rates to the rating criteria (values, financial estimates etc.) applying from renewal
4. Local taxes on global covers are not included and should be added as appropriate

Insurance Programme

In this section of the report we summarise the results of our negotiations with insurers and put forward our recommendations for renewal for each class of insurance.

Commercial Combined

Renewal date	Current insurer	Renewal premium:*	Recommended insurer:	Recommended premium*
1 st July 2023	Zurich Insurance Company Ltd	£8,585.83	Zurich Insurance Company Ltd	£8,585.83
Insured Title	Ryde Town Council & Network Ryde			
Business Description	Local Council			

* Excluding IPT, VAT, Insurer Fees and Gallagher Fee(s)

Main Changes to Principal Rating Factors

Cover	Last year's Sums Insured (2022)	Renewal Sums Insured (2023)
Property damage		
St Johns Road		
Buildings Declared Value	£295,784	£340,151
Eastern Gardens		
Buildings Declared Value	£310,573	£357,159
Appley Park		
Buildings Declared Value	£277,297	£318,891
Lifeguard Station		
Buildings Declared Value	£23,127	£26,597
Vectis Hall (Demolition & Debris removal)		
Buildings Declared Value	£169,177	£169,177
St Thomas Church		
Buildings Declared Value	£2,255,700	£2,594,055
Contents & Fixtures and Fittings	£95,481	£95,481
Computers	£10,609	£10,609

Cover	Last year's Sums Insured (2022)	Renewal Sums Insured (2023)
Lind Street		
Contents & Fixtures and Fittings	£16,809	£16,809
Other contents - stock	£289	£289
Computers	£15,976	£15,976
147 High Street		
Contents & Fixtures and Fittings	£57,964	£57,964
Computers	£5,796	£5,796
Puckpool Battery		
Public Liability only	£0	£0
Business Interruption		
Basic Business Interruption - Additional Expenditure		
Business interruption sum insured (£)	50,000	50,000
Cover basis	Additional increased costs of working	Additional increased costs of working
Indemnity period (months)	12	12
Employers Liability	10,000,000 Limit of Indemnity	10,000,000 Limit of Indemnity
Public Liability	12,000,000 Limit of Indemnity	12,000,000 Limit of Indemnity
Turnover Breakdown - Council's Precept provided in one lump sum	1,400,000	1,400,000
Turnover Breakdown - Council's Reserves	320,000	656,000
Turnover Breakdown - Current Town Population (Approx)	27,010	24,000
Fidelity Guarantee		
Any One Loss - Persons Guaranteed: All members and employees	2,000,000 Limit of Indemnity	2,000,000 Limit of Indemnity
Legal Expenses		
Standard Cover - Attendance Expenses	200,000 Limit of Indemnity	200,000 Limit of Indemnity

Cover	Last year's Sums Insured (2022)	Renewal Sums Insured (2023)
Miscellaneous Section	Reinstatement	Reinstatement
Miscellaneous Risk - Civic Regalia	2,097.11 Limit of Indemnity	2,097.11 Limit of Indemnity
Miscellaneous Risk - Camera Equipment	248.44 Limit of Indemnity	248.44 Limit of Indemnity
Miscellaneous Risk - 15 Laptops	18,300.95 Limit of Indemnity	18,300.95 Limit of Indemnity
Miscellaneous Risk - Plate Glass (Windows) at 147 High Street, Rude, PO33 2RE	5,796.38 Limit of Indemnity	5,796.38 Limit of Indemnity
Miscellaneous Risk - Skatepark	101,295.79 Limit of Indemnity	101,295.79 Limit of Indemnity
Miscellaneous Risk - PA System	10,927.27 Limit of Indemnity	10,927.27 Limit of Indemnity
Miscellaneous Risk - Beach Concession items, 275 Deckchairs and sun loungers, 30 parasols, 20 wind breakers, 9 paddle boards, 8 kayaks	41,200 Limit of Indemnity	41,200 Limit of Indemnity
Miscellaneous Risk - Statue at Eastern Gardens	2,575 Limit of Indemnity	2,575 Limit of Indemnity
Miscellaneous Risk - Landlords Fixtures & Fittings - Carpets at 10 Lind Street	5,150 Limit of Indemnity	10,000 Limit of Indemnity
Miscellaneous Risk - Glass at 10 Lind Street, Ryde, Isle of Wight, PO33 2NQ	5,150 Limit of Indemnity	5,150 Limit of Indemnity
Miscellaneous Risk - Phone Box	5,000 Limit of Indemnity	5,000 Limit of Indemnity
Miscellaneous Risk - Tools - Unit 1 Puckpool Battery		3,000 Limit of Indemnity
Miscellaneous Risk - Camping Equipment		4,000 Limit of Indemnity
Miscellaneous Risk - Archived Files - Unit 1, Puckpool Battery		5,000 Limit of Indemnity
Miscellaneous Section	Indemnity	Indemnity
Miscellaneous Risk Hirers Liability	2,000,000 Limit of Indemnity	2,000,000 Limit of Indemnity
Miscellaneous Section	Indemnity	Indemnity
Miscellaneous Risk - Libel & Slander	250,000 Limit of Indemnity	250,000 Limit of Indemnity

Cover	Last year's Sums Insured (2022)	Renewal Sums Insured (2023)
Miscellaneous Section	Indemnity	Indemnity
Trustees and Officials Indemnity for financial loss	Covered	Covered

Renewal Commentary

This year we have obtained renewal terms from your current insurers Zurich Municipal as , from our experience have a wealth of experience in your sector.

We requested insurers make the following changes this year:

- Apply 15% index linking to the buildings sums insured for the following premises:
 - St Johns Toilets
 - Eastern Gardens Toilets
 - Appley Park Toilets
 - Lifeguard Station
 - St. Thomas' Church
- All Risks Section – increase landlords fixtures and fittings from £5,150 to £10,000
- Employee numbers confirmed as:
 - Clerical 13
 - Manual work 6
 - Manual work – youth workers 5
 - Kick-start programme - none
- Councils precept is £1,400,000
- Councils reserves are £656,000
- Population estimated as 24,000

Zurich Municipal were looking to add a large rate increase this year, however I am pleased to report that we have been able to negotiate lower rates than Zurich Municipal were looking to apply for this renewal including a 3 year long term agreement – without this agreement the premium including index linking would have been £10,633.29, including IPT and excluding our fee.

If you were to remove index linking, which we wouldn't recommend, then the premium including IPT and excluding our fee would be £8,917.75.

The quotation includes the 3 year long term agreement. We are presently in a hard insurance market and with the agreement in place you have protection against continuing rate increases from your insurer. The agreement has the following wording:

"You may choose to set up a Long Term Agreement (LTA) with us. This means that you commit to keep your policy with us for the period of the LTA and in return you receive the discount detailed in the pricing table.

An LTA will also freeze the rates which we apply to your sums insured or indemnity levels in order to calculate your annual premium. So, if we raise rates during your LTA, the rise won't apply to your premium. Please note, this doesn't mean that your premium will not rise over the period of the LTA. It would rise if:

- a) *Your sums insured increase
We will index-link your sums insured.*
- b) *Your levels of indemnity increase
Again, this may be necessary to ensure that your policy is giving you the appropriate level of protection.*
- c) *Your claims history is poor
If this did occur, you would have the option to exit the LTA.*

The following lines of cover are not subject to LTA rate freezes: Engineering, Legal Expenses and Terrorism"

It is my recommendation that policy renews with Zurich Municipal as this policy continues to satisfy your demands and needs.

Market Selection

We have obtained terms from one insurer only.

Subjectivities

None Applicable

Excesses

Excesses Applicable to Premises

The following Excesses apply to each and every loss arising in respect of each and every separate premises:

Accidental Damage	£100
Theft	£100
Riot civil commotion and Malicious Persons	£250
Storm or Flood	£250
Escape of Water	£250
Falling Trees or Branches	£250
Subsidence	£1,000

Principal Policy Terms, Conditions, Warranties and Exclusions

It is important that you read and make sure that you understand the extent and limitations of the policy. The Policy Wording should be read in conjunction with the policy documents. The Policy Wording contains full details of the terms and conditions that apply to the policy, including exclusions and limitations.

Outlined below are significant terms, conditions, warranties, endorsements, extensions or exclusions - applicable to your policy which we would draw to your attention. Please read these carefully as it may have an impact on your cover and/or any claims made.

Endorsement -

1. Reinstatement

Subject to the following Special Conditions the basis upon which the amount payable in respect of buildings and contents is to be calculated will be the Reinstatement of the property suffering damage.

2. Index-linking

The Sum Insured in respect of each of the items specified under Parts A and C in the Schedule will be adjusted monthly in line with the indices selected by the insurer. At each renewal the premium will be calculated on the adjusted Sum Insured.

3. Unoccupied Buildings

a) The insured undertake in respect of unoccupied buildings

i) to notify the insurer immediately they become aware that any buildings or portion thereof is unoccupied or any unoccupied buildings or portion thereof becomes tenanted.

ii) that all mains services will be turned off (except electricity supply to maintain any fire or intruder alarm system).

iii) that the water system be completely drained or, during the period 1 October to 1 April each year any central heating system may be kept working at a minimum temperature of 5 degrees C. (additionally, where sprinkler systems are installed it may be necessary to maintain water supplies. In these circumstances heating must be maintained at a minimum temperature of 5 degrees C.)

iv) to arrange the inspection of the buildings internally and externally by an authorised representative, removing waste where necessary. Frequency to be notified in writing by the insurer.

v) to seal up all letter boxes and take steps to prevent accumulations of mail.

vi) to secure the buildings against unlawful entry by closing and locking doors and windows and setting any security and alarm systems.

5. Automatic fire alarm installations

In respect of automatic fire alarm installation(s) the insured hereby undertake to:

a) carry out the testing and checking requirements referred to on the completion certificate and remedy promptly any defect disclosed

b) carry out the maintenance procedures specified by the manufacturers of the equipment

c) notify the insurer immediately of any disconnection or failure of the automatic fire alarm installation likely to leave any area unprotected for 12 hours or more

d) record details of all events such as alarms faults, tests, maintenance and disconnections and keep such details available for examination by the insurer.

6. Portable Heating

Portable Heating appliances are allowed for use in the premises on a maximum of 2 days of any week subject to their type conforming to the following:

A. Electrical Appliances

heaters with enclosed elements or forced convection heaters incorporating a fan failure cutout device and/or an overheat cut-out device

B. Gas Appliances having both:

a) an integral fuel source, and

b) one or more of the following safety features: a flame failure device, an overheat cut-out device and where relevant, a fan failure cut-out device.

All Portable Heating Appliances must be located in a safe position:

a) at least 1 metre clear of any combustible material

b) where they cannot be accidentally knocked over and in addition in respect of paragraph B:

a) away from draughts

b) provided with an independent non-combustible guard.

7. Electrical

The electrical installation must be checked by an Institution of Electrical Engineers qualified electrician with any defects being attended to within 3 months of inception of this Policy.

8. Basement storage

It is a condition precedent to the insurer's liability that all property kept in any cellar, basement or sub-basement will be kept on racks or shelves at least 30cm above floor level.

9. Fire break doors and shutters

It is a condition precedent to the insurer's liability that all fire break doors and shutters will be kept closed (except during working hours) and will be maintained in efficient working order.

3- Year Long term agreement - see Renewal Commentary for wording.

Exclusion -

10. Communicable Diseases exclusion

The following exclusion is added to General Exclusions but is not applicable to parts E, F, G, H, I, J, K, L, M, N, O, P, Q and R

5. Communicable Diseases

This Policy does not cover any loss, damage, liability, claim, cost or expense of whatsoever nature, directly or

indirectly caused by, contributed to by, resulting from, arising out of, or in connection with the following:

a) a communicable disease; or

b) the fear or threat (whether actual or perceived) of a communicable disease

regardless of any other cause or event contributing concurrently or in any other sequence thereto.

For the purposes of this exclusion, 'communicable disease' means any disease which can be transmitted by means

of any substance or agent from any organism to another organism where:

i) the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not; and

ii) the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms; and

iii) the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

This exclusion does not however apply in respect of and only to the extent of cover expressly stated as being provided under the extension applicable to Part B – Business Interruption titled Named Diseases, Murder, Suicide or Rape.

Excluding Subsidence or ground heave of any part of the site on which the property; stands or landslip for Properties, 4, 5, 7, 8.

These are:

4. Lifeguard Station, Esplanade, Ryde, Isle Of Wight, PO33 1JA

5. Vectis Hall, Melville Street, Ryde, Isle Of Wight, PO33 2AE (This property has demolition & debris removal cover only)

7. 10 Lind Street, Ryde, Isle Of Wight, PO33 2NQ

8. 147 High Street, Ryde, Isle Of Wight, PO33 2RE

10. Restriction to Demolition & Debris Removal cover

In respect of Vectis Hall, Melville Street, Ryde, Isle of Wight, PO33 2AE insured under Part A Material Damage, Buildings, Insured Perils are restricted to 1, 2 and 3 only and cover is reduced to **Removal of Debris** and **Professional fees only** as described under Additional Covers applicable to Parts A and C.

Public Liability -

Endorsement -

1. Environmental Clean Up Costs.

Miscellaneous Section -

Endorsement -

1. Reinstatement

Subject to the following Special Conditions the basis upon which the amount payable in respect of buildings and contents is to be calculated will be the Reinstatement of the property suffering damage.

2. Index-linking

The Sum Insured in respect of each of the items specified under Parts A and C in the Schedule will be adjusted monthly in line with the indices selected by the insurer. At each renewal the premium will be calculated on the adjusted Sum Insured.

7. Electrical

The electrical installation must be checked by an Institution of Electrical Engineers qualified electrician with any defects being attended to within 3 months of inception of this Policy.

Key Changes to Policy Terms and Conditions

- None

Claims Experience/History:

No claims

The following demands and needs have not been met by the proposed product(s):

None

<http://www.ajg.com/uk>

If, at any time, you would like to reconsider these exposures, please contact us and we would be happy to provide you with further information. We would like to keep these under review with you at regular intervals.

Our Service & Remuneration

As part of our service to you we will:-

Design and place your Insurance Programme, including the:-

- Identification and evaluation of your insurable risk exposures.
- Identification of any appropriate additional covers.
- Negotiation of competitive insurance terms.

Manage your account by:-

- Holding pre-renewal and renewal discussions and if appropriate conduct mid-term reviews with you.
- Providing insurance premium budget indications if required.
- Producing a clear and concise renewal questionnaire for your completion prior to each renewal.
- Providing you with renewal terms in the form of a clear and concise renewal report.
- Keeping you advised of changes in the insurance market that could affect your risk exposure or insurance programme.
- Reviewing opportunities for risk avoidance or reduction.

Provide you with the following documentation:-

- Insurance policies and endorsements (e.g. relevant certificates and cover notes).
- "Evidence of insurance" letters to you, your customers or financial institutions as required.
- A summary of your insurance programme.

Handle your claims

Unless you are reporting your claims direct to your insurer, we will on your behalf:-

- Notify new claims to your insurers.
- Liaise with insurers and loss adjusters to ensure that all claims are processed as effectively as possible.
- Compile and analyse claims statistics as appropriate.

The claims service provided will cease automatically on termination of our appointment.

We may on occasions employ specialist services, both in-house and external that may generate additional earnings which they will retain. Please see our Terms of Business Agreement for further details.

Please see further information in our Terms of Business Agreement on how we are paid for our services.

Payment Options

Our standard payment terms are payment upon receipt of invoice. This ensures we receive your funds in time to settle our Insurer accounts where there are strict requirements.

You can pay by the following options:-

- Direct to Insurer
- Credit/Debit Card
- BACS
- Premium Credit Ltd / Close Premium Finance

Where Insurers offer any direct debit facility, we have outlined this per class of business where this applies. Please let us know prior to the expiry of your current policy(ies) if you do not wish to continue on this basis. I must point out this is an arrangement between you and the insurer. If you fail to make payments or the agreement is terminated then you may become immediately liable for any outstanding debt to your insurer and cover will cease.

Important Information

Please read this section carefully **as it contains important terms and may require you to take action.**

1. Sums Insured and Under-Insurance (Average)

Please ensure you are insured for the full value of risk in accordance with the policy terms and conditions. We strongly recommend that you obtain professional valuations for reinstatement purposes of buildings, machinery and plant at regular intervals. Sums insured and limits of indemnity should be kept under review throughout the period of insurance.

It is important that you are NOT under-insured. Make sure you have insured your buildings for the full rebuilding cost including allowances for architects costs and site clearance, and your contents for their full replacement value as new items.

You must notify us if the full replacement value of your contents or full rebuilding cost of your buildings exceeds the amount shown on your schedule.

The insurer will only be able to settle claims at the percentage you are actually insured for. For example, if the value of your contents shown on your schedule only represents 70% of the full replacement value then the insurer will not pay more than 70% of your claim.

2. Duty of Fair Presentation

When you answer questions or agree with assumptions during the quotation process, you must disclose material facts or circumstances about the risk(s) you want to insure. A material fact or circumstance is something that would influence the judgement of an insurer in deciding whether or not to insure the risk.

This is known as a 'duty of fair presentation' and includes disclosing the following:

- Information that you, your firm's senior management, or anyone responsible for arranging your insurance knows, or should know in relation to your business; and
- Information that would be revealed by a reasonable search of information available to you or by making enquiries, and could include information held within your business or by someone else (such as your insurance broker).
- Remember that if you fail to meet this duty, it could mean that the policy is void, or that the insurer is not liable to pay all or part of your claim(s).

Examples of material facts or circumstances include the following (please note these have been provided as examples only and the list is not exhaustive):

- Being declared bankrupt, participating in an Individual Voluntary Arrangement (IVA) or protected deed of trust in Scotland or making a compromise arrangement with creditors.
- Other policies in place covering the same risk.
- Previous claims or incidents which may have led to a claim but for which you did not actually submit a claim.
- Any caution, charge or conviction of a criminal offence for you or any director/business partner/trustee
- Any motoring convictions or disqualification by any director/business partner/trustee or any

driver of a company vehicle in respect of a motor insurance application

- The organisation, directors, partners or trustees having been prosecuted or received a prohibition or improvement notice for failure to comply with any Health and Safety, Welfare or Environmental Protection legislation
- Being declined cover by other insurers or having special terms imposed
- Changes to your business activities
- Changes to the Police response to alarm signals.

Please remember that if any of your details, material facts or circumstances change during the policy period, you must always notify us immediately.

3. Policy Terms, Conditions and Exclusions

Insurers may impose warranties and/or restrictive endorsements and where any of your policies are subject to a warranty, compliance is an absolute requirement at all times.

In addition to warranties (or in some instances, in place of) policies may contain "conditions precedent to liability". Failure to comply with a condition precedent may mean that the insurer will not be liable for any loss.

Please pay particular attention to any warranties and/or restrictive endorsements as failure to fully comply with any warranty/endorsement terms could suspend or invalidate the policy cover.

Similarly, policies also contain general conditions that apply to all policyholders; for example, 'Notification of Claims' and alteration in risk. You should familiarise yourself and comply with all conditions.

Full details of any warranties, terms, conditions and exclusions are contained within your policy wording and schedule. **For your protection, it is essential that you read your policies carefully to ensure you are familiar with all of the terms, warranties, conditions and exclusions.**

If at any time you are unable to comply with a warranty, condition precedent to liability, or any other policy terms, conditions, exclusions or insurers' requirements, please let us know immediately as the requirements imposed will continue to apply until insurers have accepted that you are compliant with policy terms and confirmed cover.

If you have any queries or questions regarding the policy term, conditions or exclusions please contact us immediately.

4. Administration Fees

Where we charge an administration fee in respect of the operational cost of setting up, administering or cancelling your policy, e.g. postage, stationery and licensing fees. The administration fee is not subject to Insurance Premium Tax and is separate to any other broker fee charged and/or commission earned for our services.

Activity	Annual premium under £500	Annual premium over £500
New Business and Renewal administration fee	£50.00	£65.00
Cancellation administration fee	£50.00	£50.00
Mid-term adjustment administration fee	£50.00	£50.00

There is a cap of £350 in total for administration fees per customer per year.

5. Basis of our services

The services we provide are outlined in our **Terms of Business Agreement (TOBA)**. The detail of which is provided in Appendix 1 of this report. **Please read this carefully as we will provide our services in line with this.**

We act on an 'advised' basis which means that we will be making a personal recommendation of a specific insurance policy(ies) based on information you have given us around your particular requirements and circumstances. When acting on an 'advised' basis, we act as Agent of the Customer (that is to say, we represent the customer) in order to select appropriate cover(s) from different insurance markets.

6. Short Form Privacy Notice

We are the data controller of any personal data you provide to us. We collect and process personal data in order to offer and provide insurance services and policies and to process claims. Personal data is also used for business purposes such as fraud prevention and detection, financial management, to generate risk modelling, conduct analytics including to advise, improve and develop our products and services and to comply with our legal and regulatory obligations. This may involve sharing information with, and obtaining information from, our group companies and third parties such as (re)insurers, other brokers, loss adjusters, credit reference agencies, service providers, professional advisors, our regulators or fraud prevention agencies.

We may record telephone calls to help us to monitor and improve the service we provide as well as for regulatory purposes.

Please see our Privacy Notice for further information on how your personal data is used, shared, disclosed and retained, your rights in relation to your personal data and how to contact our Data Protection Officer. Our Privacy Notice can be found at <https://www.ajg.com/uk/privacy-policy/>

From time to time we may make important updates to our Privacy Notice and these may in turn affect the way we use and handle your data. Please ensure you review our Privacy Notice periodically to ensure you are aware of any changes.

If you are entering into this agreement in the course of your business, or as a charity, for charitable purposes and providing information on other individuals to us, for example your employees and/or any other party that would be covered under the insurance policy we may be placing or services we may provide to you, you shall ensure that individuals whose personal data you are providing to

us have been provided with fair processing notices that are sufficient in scope and purpose, and that you have obtained all appropriate consents, where required, or are otherwise authorised, to transfer the personal data to us and enable us to use the personal data and process the personal data for the purposes of this agreement and as set forth in our Privacy Notice. You must not share personal data with us that is not necessary for us to offer, provide or administer our services to you.

7. Fraud Awareness

To help prevent fraud - before requesting your bank details to provide you with a refund by phone, we will always validate with you information that we hold on file; information that only you would know. This information could include your address or specific policy details.

Any refund we provide will only be for one of three reasons:

- 1) overpaid funds
- 2) a reduction in your cover
- 3) cancellation

Arthur J. Gallagher Insurance Brokers Limited will never request sensitive information, such as, passwords, usernames or a mother's maiden name.

If you receive a phone call and are unsure it is from us, you can always call us to verify we are who we say we are. Please call your usual contact, or call us on the telephone number shown within this document.

8. Motor and Employers' Liability Insurance – What you need to know

Motor Insurance

To ensure you comply with European legislation the Motor Insurance Database (MID) must be updated immediately with any vehicle amendments. Failure to comply could result in a substantial fine, vehicle could be clamped, seized by the police or could lead to prosecution.

Please therefore make the necessary amendments to the MID via www.midupdate.com immediately or advise insurers of any vehicle amendments immediately so that the MID can be updated (where this has been specifically agreed in writing with the insurers).

It is not mandatory for temporary vehicles that are on cover for 14 days or less to be added to the MID. However, the Motor Insurer's Bureau (MIB) recommends adding all vehicles to the database regardless of the duration of cover to ensure that a record of insurance is in place in the event of a routine police stop. Records of all road registered vehicles held for less than 14 days and not submitted to the MID must be retained for 7 years. All vehicles that are on cover for more than 14 days must be added to the MID.

Should you have any queries, please contact your account executive or a member of your account servicing team.

Employers' Liability Insurance

Since 1st October 2008 Employers are allowed to display their Employers' Liability Certificate in an electronic format, so long as it remains accessible by all employees.

Although the law no longer requires you to retain certificates, we strongly recommend that you continue to do so. We believe that it is in your own interest to retain copies. Where no records can be found, you will be responsible for payment of any claim, particularly in relation to so-called 'long-tail' industrial diseases such as deafness and asbestosis.

9. Making a Claim

Step 1 Reporting a claim

- You will need to notify your insurer as soon as possible after an incident, preferably by telephone.
- You will find your insurer's claims line number within your policy document, as well as highlighted within your renewal pack.
- Delay in notifying your insurer of an incident or a claim can potentially prejudice your/your insurer's position and can cause difficulty with acceptance of your claim, either in part or in full.
- In the event of injury and/or damage to another party or their property, it is important that no admission of liability is made, as this may also prejudice your/your insurer's position. Any third party claim or correspondence should be immediately passed to your insurers, unanswered.
- Appropriate steps should be taken to minimise any further loss or damage, where possible.
- When calling your insurers, it is important that you have the following key information available, which will help them identify you and assist with data protection protocols, thereby reducing any potential delays in providing you with their initial advice:
 - Policyholder's name
 - Policyholder's address and postcode
 - Policy number
- In order for insurers to give you the most accurate advice and guidance on the notification call, there are some key pieces of information that they will need to know:
 - What happened? When? Where?
 - What is the extent of the loss, damage, injury? Consider physical and financial/trading impacts.
 - What is the impact to you or the policyholder?
 - What is being done to help prevent further loss, damage or injury?
 - Who is the best person for insurers to liaise with, what is their relationship with the policyholder and what are their contact details?

It's understood that some of the information may only be indicative at the outset, but the more accurate the information provided, the more likely the advice given will meet your needs and also assist with the progress of your claim.

- Your insurer will advise of next steps, allocate a claims reference number and also provide detail as to who will be your contact throughout the claim.
- Where the services of other parties may be required, insurers will provide details as to who this will be and the services that they will provide.
- Examples include – loss adjuster on large or complex claims, Solicitors/Investigators on Liability

issues or claims, Engineers/Approved Repairers on Motor claims insurers should also discuss and agree with you the best method and frequency of updates/next contact.

If you have opted to purchase our Gallagher Business Assist Loss Preparation and Presentation services and your claim relates to a Material Damage (Property) or Business Interruption incident, likely to exceed £10k, please activate that service by contacting the Gallagher Business Assist Team immediately on 03330 100 787 or email gallagherbusinessassistclaims@ajg.com.

Step 2 Claims Handling & Investigation

- In order to evaluate and progress any claim, insurers more often than not will require additional supporting documentation from you.
- Insurers should clearly articulate what they require from you and the reasons why. Typically this will be estimates or invoices and anything that may help them evaluate your claim against the policy coverage that you have in place.
- Delays and/or omissions can in some circumstances lead to issues with acceptance of a claim in part or in full. It is therefore important that you reply to any requests and supply the information required at your earliest opportunity, in order to assist with progressing your claim.
- Should you not understand or wish to query any request from your insurer or their agent, it is recommended that you call them at the earliest opportunity to discuss and seek clarity from them.
- Insurers will look to agree with you what the next steps may be relating to any repair, replacement, defence, or interim actions required.
- Interim payments can sometimes be agreed, particularly on large claims or where the claim creates cash-flow issues. Where appropriate you should ask insurers whether this is a possibility.

If you have opted to purchase our Gallagher Business Assist Loss Preparation and Presentation services and your claim relates to a Material Damage (Property) or Business Interruption incident, likely to exceed £10k, please activate that service by contacting the Gallagher Business Assist Team immediately on 03330 100 787 or email gallagherbusinessassistclaims@ajg.com

Step 3 Conclusion/Resolution of Claim

- Once insurers have received sufficient supporting documentation and assessed them against the policy coverage in place, they will advise you regarding what a resolution of your claim may look like.
- Payments to be made (in part or in full) should be clearly explained by insurers, including their calculation.
- If for any reason the claim will not be met (in part or in full), insurers should clearly explain the reason why and provide evidence, where appropriate.
- Excess – Any settlement agreed will be subject to the deduction of the applicable policy excess. This can be verified by referring to your policy documents.
- VAT – If the policyholder is VAT registered, in the majority of situations the policyholder will be responsible for the VAT element of any invoice relating to the claim.

Exceptions - Assistance and Complaints

- Escalations and complaints regarding services provided by the insurer should, in the first instance, be directed to the appropriate insurers as soon as the issue arises or is identified.
- Each insurer will have a formal escalation and complaint protocol in place, the details of which will be contained within your policy wording, which should give you suitable guidance.
- If however you encounter any difficulties identifying the appropriate process and/or insurer contact details, you can contact our Claims Help Desk on 03330 100 799 or email claims_helpdesk@ajg.com, to assist you with ensuring that your issue or complaint reaches the appropriate insurer contact.

Examples of where we may be able to assist include:

- If you are having difficulty making contact with your insurer.
- Your insurers are unable to trace your policy.
- You require additional clarification regarding the claims process.
- Your insurers are failing to provide you with the appropriate level of service.



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Terms of Business Agreement

Arthur J. Gallagher Insurance Brokers Ltd

Our Terms of Business can be viewed on our internet web page by clicking on this link

<https://www.ajg.com/uk/-/media/files/gallagher/uk/legal/ajg-toba-2022.pdf>

In the event that you would like a hard copy, or copy by email, please do let us know and we will be happy to provide in the medium that you require.



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Appendix 1 – Insurer(s) Quotation(s)

Please find these attached to the renewal email



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