

# TERMS OF BUSINESS

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[www.lhkgroup.ie](http://www.lhkgroup.ie)

These terms of business set out the general terms under which LHK Insurance Ltd T/A LHK Insurance, LHK Group (“the Firm”) will provide General Insurance business services to you as a client of the firm. It details the respective duties and responsibilities of both the firm and you in relation to such services. Please ensure to read these terms thoroughly and if you have any queries, please contact us at the above address and we will be happy to clarify any questions you may have. If any material changes are made to these terms, we will notify you, in advance of this change.

## **Authorised Status**

The Firm is authorised & regulated by the Central Bank of Ireland (C99882) and is registered as an insurance/reinsurance intermediary under the European Union (Insurance Distribution) Regulations 2018. Copies of our various authorisations are available on request. The Central Bank holds registers of regulated firms. You may contact the Central Bank on 1890 777 777 or alternatively visit their website at [www.centralbank.ie](http://www.centralbank.ie) to verify our credentials. The Firm is also regulated by the National Consumer Agency as a Credit Intermediary.

## **Statutory Codes**

The Firm is subject to and complies with the Consumer Protection Code 2012, the Minimum Competency Code 2011, and the Fitness and Probity Standards. These codes offer protection to our clients and all of which can be found on the Central Bank’s website: [www.centralbank.ie](http://www.centralbank.ie) .

## **Services Provided**

We commit to providing you with an excellent and professional level of service. We believe in acting only in the best interests of our clients to ensure that we maintain a relationship based on mutual trust and respect. The Firm is a member of Brokers Ireland. Our principal business is to provide advice and arrange transactions on behalf of clients in relation to general insurance products.

- We act as a professional broker which means that the principal regulated activities of the firm are provided on the basis of a fair and personal analysis of the market.
- We will identify and select suitable product producers and on receipt of your instructions we will transmit orders on your behalf to one or more product producers (a list of which is available on request).
- We will also offer assistance to you in relation to processing claims, on policies taken out with our firm. This assistance is provided either directly by our staff and/or with the assistance of an appointed loss assessor, at the expense of the policy holder.

This firm does not have a ‘tied’ relationship with any institution that would compromise our ability to offer you non-biased advice and choice.

## **Our Dealings with you**

We request instructions in writing from our clients in order to avoid possible misunderstandings or disputes. Any advice we give you will be in writing.

## **Electronic communication**

Unless otherwise agreed, we may communicate by email, via the internet or other electronic media or provide information to you in electronic form. Because of the inherent risks associated with such media, we cannot guarantee the security and integrity (or freedom from computer viruses) of any electronic communications or information sent or received in relation to this engagement.

## **Vulnerable Clients**

If a client’s financial, health or any other personal circumstances makes a client vulnerable or in need of assistance, the client should inform The Firm who will offer reasonable assistance to the client in its dealings with The Firm.

## **Regular Reviews**

It is in your best interest that you review, on a regular basis, the products which we have arranged for you. As your circumstances change, your needs will also change. You must advise us of any changes and request a review of the relevant policy so that we can ensure that you are provided with up to date advice and a product best suited to your needs. Failure to contact us in relation to changes in your circumstances or failure to request a review, may result in you having insufficient insurance cover.

## **Conflicts of Interest**

It is the policy of The Firm to avoid any conflict of interest when providing business services to its clients. However, where an unavoidable conflict may arise we will advise you of this before proceeding to provide any business service.

## **Disclosure of Information**

Your duty of disclosure when completing documentation for new business/renewals and midterm adjustments.

Section 14 (1) – (5) of the Consumer Insurance Contracts Act which is effective from 1<sup>st</sup> September 2021 alters consumers duty of disclosure:

You are required to answer all questions posed by us or the insurer honestly and with reasonable care – the test will be that of the ‘average consumer’. Average consumer as per Directive No. 2005/29/EC of the European Parliament and of the Council of 11 May 2005 is reasonably well informed and reasonably observant and circumspect, taking into account social, cultural and linguistic factors.

Specific questions will be asked. Where you do not provide additional information (after being requested to do so) it can be presumed that the information previously provided remains unchanged.

An insurer may repudiate liability or limit the amount paid on foot of the contract of insurance, only if it establishes that non-disclosure of material information was an effective cause of the insurer entering into the relevant contract of insurance and on the terms on which it did.

## **Completed proposal forms/statement of fact**

Completed proposal forms or Statements of Facts will be provided to you. These are important documents as they form the basis of insurance contract between the insurer and you the consumer. You should review and confirm that the answers contained within are true and accurate.

## **Commercial Customers: Non-Consumer Disclosure of Information**

It is essential that you should bring to our attention any material alteration in risk such as changes of address or use of premises. Any failure to disclose material information may invalidate your claim and render your policy void. If you are ever in doubt whether or not something needs to be disclosed, please discuss it with us.

## **Cooling Off Period**

A consumer (as defined by SI No 853 of 2004) has the right to withdraw from an insurance policy (as defined under SI No 853 of 2004) within 14 days of the start date of the policy (except in the case of travel policies, whose operative period is for one month or less) without penalty and without giving any reason. This is known as the cooling off period. The right of withdrawal may be exercised by notice in writing to LHK Insurance quoting your policy number provided that no claim or adjustment has been made or is intended to be made or no incident has occurred which is likely to give rise to a claim or for travel policies. Should this right be exercised the insurance company may charge for the period you are on cover. For motor insurance the insurance certificate and disc must be received by LHK Insurance before the policy can be cancelled. Please note that the policy set up charge is non-refundable if you choose to withdraw from the policy within the cooling off period.

## **Claims**

Your policy document will set out in detail what you should do in the circumstances of an accident or loss or event occurring which may give rise to a claim and it is important that you comply with these requirements. We will offer you assistance in the processing of your claim but you are free to appoint a Loss Assessor (at your expense) to act on your behalf.

## **Complaints**

We have a written complaints procedure for the effective handling of all complaints. We will acknowledge receipt of your complaint in writing within 5 working days. A written update will be issued to you every 20 days by a nominated individual within our firm. A comprehensive response to your complaint will be issued within 40 working days of receipt of your initial complaint. In the event of failure to resolve your complaint, you may raise the matter with the Financial Services and Pensions Ombudsman Bureau 01 567 7000 [info@fspo.ie](mailto:info@fspo.ie). Our full complaints procedure is available on request.

## **Premium Handling and Receipts**

When receiving and transmitting orders in relation to insurance policies, The Firm will accept payments in cash, by cheque and by credit/debit card. The Firm is not authorised to accept cash or negotiable instruments in any other circumstances. A receipt in line with provision 3.5 of the Consumer Protection Code 2012 will be issued.

Premiums are due at inception or renewal date of a policy. Under the Central Bank of Ireland legislation very strict rules apply in the payment of premiums to Insurance companies. We will not be able to pay premiums to insurers which have not been received from clients. Therefore, to avoid policy cancellation, premiums must be paid strictly within the credit terms, otherwise immediately prior to cover incepting.

## **Failure to Pay or Default**

The Firm will exercise its legal rights to receive payments due to it from clients for business services provided. In particular, without limitation of the generality of the foregoing, the firm will seek reimbursement for all payments made to insurers on behalf of clients where the firm has acted in good faith in renewing a policy of insurance for the client. Insurers and other product producers may withdraw benefits of cover in the event of default on payments due under policies of insurance arranged for you. We would refer you to policy documents or product terms for the details of such provisions.

### **Credit Finance**

If you require credit terms, we may be able to arrange premium finance on your behalf with a number of credit providers (a list of which is available on request).

### **Remuneration and Charges**

The Firm is remunerated by commission and other payments from product producers or lenders on the completion of business. A non-monetary benefit will only be accepted if it enhances the quality of the service to our clients.

Our client is given the option of paying for the advisory services in full by way of fee. They are also given the option of paying for the advisory services by way of combination of fees and commissions &/or they may choose to offset fees payable against commission received. We reserve the right to amend these fees should the complexity of the product require a higher fee. We will confirm and agree this fee with you prior to any increased charge being applied.

Where our client has requested that we provide advisory services on a fee basis we will discuss, agree, and clearly document the scope of work to be undertaken and the fees to be charged for this work. A summary of the details of all arrangements for any fee, commission or other remuneration paid or provided to us, which we have agreed with product providers, is available on our website – [www.lhkgroup.ie](http://www.lhkgroup.ie).

On settlement of your account, we will forward you all documents showing ownership of your policy. The Firm will not be in a position to release Motor Certificate, Disc and Policy Schedule until the premium is paid.

### **Schedule of Fees**

		<b>Fee</b>
<b>Advisory Service Fees</b>	Directors	€ 300/hour
	Accounts Executive	€ 175/hour
	Support Staff	€ 100/hour
<b>Personal Lines (* % of premium)</b>	New Business Fee	up to 30%*
	Renewals Fee	up to 30%*
	Mid-Term Alterations	€ 20
	Mid-Term Cancellations	€ 20
	Mid-Term Duplicate Documentation	€ 20
<b>Commercial Lines (* % of premium)</b>	New Business Fee	up to 30%*
	Renewals Fee	up to 30%*
	Mid-Term Alterations	up to 30%*
	Mid-Term Cancellations	up to 30%*
	Mid-Term Duplicate Documentation	up to 30%*
	Finance Premium Fee	1%

Please Note:

- We reserve the right to amend these fees should the complexity of the product necessitate a higher fee. Any fee amendment will be notified to clients in advance.
- Personal Lines fees are subject to a minimum charge of up to €150.
- Commercial Lines fees are subject to a minimum charge of €250.
- Professional Fees are non-refundable in the event that a policy is cancelled.
- E Mail &/or written confirmation is required from the client prior to the deduction of fees from a return premium.
- A full list of our fees and charges is available for review on our website and in our reception areas.

## **Clawback**

If we receive commission from a product provider and off-set the commission against the fee which we would otherwise have charged you but the commission is subsequently clawed-back by the provider because of early encashment by you or because of the transferring of the assets or business to another provider or in any circumstances consequent on your actions or omissions, we will charge a fee to you that is equal to 100% of the clawed-back commission. That fee will be owing in simple contract upon the claw-back of the commission.

## **The Consumer Insurance Contracts Act 2019**

Following the commencement of the Consumer Insurance Contract Act 2019, which was implemented to protect consumers, there is important information that you should be aware of and we are bringing to your attention for policies of Insurance effective after 1<sup>st</sup> September 2020. There are obligations on you as the consumer and duties that you must fulfil at the various stages of the process of arranging and renewing your Insurance policy. Please read the following information very carefully and if you have any questions, please ask a member of our staff.

### *New Business & Renewal*

If you have taken out a general insurance contract, and we have not met face to face during the process, you may cancel the contract by giving notice in writing to us within 14 working days after the date you were informed the contract is on cover. The giving of notice of cancellation by you will have the effect of releasing you from any further obligation arising from the contract of insurance. This right to cancel does not apply where the duration of the contract is less than one month. You are under a duty to pay your premium within a reasonable time, or otherwise in accordance with the terms of the contract of insurance. A court of competent jurisdiction can reduce the pay-out to you if you are in breach of your duties under the Act, in proportion to the breach involved.

### *Post-Contract Stage and Claims*

If, in respect of the insurance contract the insurer is not obliged to pay the full claim settlement amount until any repair, replacement or reinstatement work has been completed and specified documents for the work have been furnished to the insurer, the claim settlement deferment amount cannot exceed;

- 5% of the claim settlement amount where the claim settlement amount is less than €40,000, or
- 10% of the claim settlement amount where the claim settlement amount is more than €40,000.

An insurer may refuse a claim made by you under a contract of insurance where there is a change in the risk insured, including as described in an "alteration of risk" clause, and the circumstances have so changed that it has effectively changed the risk to one which the insurer has not agreed to cover. Any clause in a contract of insurance that refers to a "material change" will be interpreted as being a change that takes the risk outside what was in the reasonable contemplation of the both you and the insurer when the contract was concluded. You must cooperate with the insurer in an investigation of insured events including responding to reasonable requests for information in an honest and reasonably careful manner and must notify the insurer of the occurrence of an insured event in a reasonable time.

If you become aware after a claim is made of information that would either support or prejudice the claim, you are under a duty to disclose it. (The insurer is under the same duty). Where an insurer becomes aware that a consumer has made a fraudulent claim, they may notify the consumer advising that they are voiding the contract of insurance, and it will be treated as being terminated from the date of the submission of the fraudulent claim. The insurer may refuse all liability in respect of any claim made after the date of the fraudulent act, and the insurer is under no obligation to return any of the premiums paid under the contract.

## **Investor Compensation Scheme & Brokers Ireland Compensation Fund**

The Firm is a member of the Investor Compensation Scheme established under Section 38 of the Investor Compensation Act 1998. The Act provides that compensation shall be paid to eligible investors (as defined in the Act) to the extent of 90% of an investor's net loss of €20,000, whichever is the lesser and is recognised as being eligible for compensation. We are also members of the Brokers Ireland Compensation Fund. Subject to the rules of the scheme, the liabilities of its members' firms (up to a maximum of €100,000 per client (of €250,000 in aggregate) may be discharged by the fund on its behalf if the member firm is unable to do so, where the above detailed Investor Compensation Scheme has failed to adequately compensate any client of the member. Further details are available on request.

## **Data Protection**

The Firm is subject to and complies with the requirements of the General Data Protection Regulation (GDPR) 2018 and the Irish Data Protection Act 2018. We are committed to protecting and respecting your privacy. We wish to be transparent on how we process your data and show you that we are accountable with the GDPR requirements in relation to not only processing your data but ensuring you understand your rights as a client.

The data will be processed only in ways compatible with the purposes for which it was given and as outlined in our Privacy Statement, this will be given to all our clients at the time of data collection. We will ensure that this Privacy Statement is easily accessible. Please refer to our website [www.lhkgroup.ie](http://www.lhkgroup.ie), if this medium is not suitable, we will ensure you can easily receive a copy by post. You have the right at any time to request a copy of any "personal data" that our office holds about you and to have any inaccuracies in that information corrected.

From time to time, we may wish to use your personal information to advise you of products and services we offer which we think may be of interest to you. If you wish to receive this information, please indicate in the Client Acknowledgement Section below. Please contact us at [dataprotection@lhkgroup.ie](mailto:dataprotection@lhkgroup.ie) if you have any concerns about your personal data.