

Terms of Business and Practices

The purpose of this document is to set out the basis of the way in which we conduct our business. What follows is a summary of the principles and practices which govern the way we operate. By asking us to quote for, arrange or handle your insurances, you are providing your informed agreement to these Terms of Business.

Miles Smith is the trading name of Miles Smith Limited which is authorised and regulated by the Financial Services Authority (FSA). This can be checked on the FSA register at www.fsa.gov.uk/register or telephone 0845 606 1234.

The principles of Good Faith and Integrity have been enshrined within the London Insurance Market for over 300 years. These same principles form the basis of our business culture.

Our Service

We deal with both advised and non-advised sales. We shall let you know in writing if we arrange insurance for you but do not offer advice. We aim to treat our customers fairly at all times. If you are unsure about any aspect of our Terms of Business or have any questions regarding our relationship with you, please contact us.

Insurers

Following an analysis of the market, we use a limited number of insurers who are best suited to our requirements. We are not obliged to conduct business in this manner, but do so in the best interests of our clients.

Whilst we are unable to guarantee the solvency of any insurer, stringent checks are made on all markets used.

Holding by an Insurance Undertaking

A member of the Amlin Group of Companies ("Amlin") holds 19.9% of the voting rights and capital of Miles Smith Limited. Amlin also trades as Summit at Lloyd's, Eclipse at Lloyd's and Drysdales.

Documentation

We will confirm in writing details of all covers effected including the identity of the insurer. Our aim is to provide all correspondence in a simple and understandable format. 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. In the event of any remaining areas of uncertainty, please contact us. Our staff are always happy to clarify the cover provided.

We want to make it easy for you to do business with us. We monitor to ensure prompt production of policy documentation by insurers.

Miles Smith recommend that clients retain all paperwork relevant to their insurances, as this may be useful for future reference.

Payment

We provide our clients with a quotation before insurance arrangements are concluded. This will tell you the total price to be paid and identifies any fees, taxes and charges separately from the premium. We will provide you with a debit note detailing the amounts due and the terms of payment. Some insurers include terms of settlement on certain contracts; others require that the premium be paid with certain strict guidelines. This is a condition

of the policy and must be complied with to ensure that payment schedules are met in full. Failure to meet deadlines can lead to a policy being cancelled and render the contract void.

Statement of Account

It is our practice to send a statement to our clients on a regular basis with details of debit and credit notes included. All balances must be settled within the terms of credit. In the event of any uncertainty with regard to any item, please notify us as soon as possible to allow such matters to be resolved.

Handling Money

Generally insurers have appointed us on a "Risk Transfer" basis to act as their agents in collecting premiums and handling refunds due to clients. In these circumstances such monies received by us are deemed to be held by the insurer(s) with whom your insurance is arranged. We will notify you if Risk Transfer applies.

In other cases we will hold premiums and refunds in a Non-Statutory trust account at HSBC Bank plc pending payment. The establishment and operation of the Non-Statutory Trust account follow the rules introduced by the FSA to protect money held by authorised intermediaries. We are permitted to use such monies to advance credit to clients generally. A copy of the Deed of Trust is available on request. Your agreement to pay the premium together with your acceptance of these Terms of Business will constitute your informed consent to our holding your money in a Non-Statutory Trust account.

Remuneration and other Earnings

We receive remuneration for our services by receiving a percentage of the insurance premium by way of commission or brokerage. Alternatively an agreed administration fee may be charged or in some instances a combination of a fee and brokerage.

We may earn income in a number of different ways. Some insurers may provide efficiency fees or production overrides periodically to reflect the benefit of receiving large amounts of business from a single source that has been handled promptly and efficiently. Occasionally certain insurers may wish to reflect the profitability of our account with them by way of payment to us. Miles Smith may also earn interest in the processing and collection of premiums and the recovery of claims. Any such interest is to the account of Miles Smith. On request we will be pleased to provide information about any remuneration and other earnings received by us in the handling of your insurances.

Cancellation of insurances and refunds

Your insurance contract may include a cancellation clause. The terms of your policy may allow insurers to retain the premium in full or in part in the event of cancellation before the policy expires. In the event of a refund of premium due to cancellation or otherwise when our remuneration has been earned, our brokerage or fees will not normally be returnable but are always in line with our remuneration policy detailed above.



Conflict of interests

Occasions can arise where we, one of our associated companies, clients, or insurers, may have a potential conflict of interest with business being transacted for you. If this happens, and we become aware that a potential conflict exists, we will write to you and obtain your consent before we carry out your instructions and we will detail the steps we will take to ensure fair treatment.

Introductions

Miles Smith may enter into agreements for the introduction of business to the company. The agreements provide for the remuneration of such introducers.

Confidentiality

All information provided by our clients is considered to be confidential and is only disclosed in the normal course of negotiation and maintenance of insurance transactions undertaken on their behalf. Miles Smith will not release information to any other party without the prior consent of the client except in exceptional circumstances. For example, information requested by a court of competent jurisdiction, a regulatory body or information which is already in the public domain.

Use of Personal data

Subject to certain exceptions, you will be entitled to have access to your personal and sensitive personal data for which you will be charged a fee of £10. If at any time you wish us, or any company associated with us, to cease processing any of the personal data or sensitive personal data we hold, or to cease contacting you about products and services, please write to our Compliance Officer.

The use of other parties

In the course of our business we may invite other FSA authorised brokers to quote competitively on the insurance of our clients, but only in circumstances where it is deemed to be in the client's interest.

Premium payment agreement

Clients may be offered the opportunity to pay premiums by instalments by bank transfer. Once established we are not permitted to change any schedule unless previously advised in writing. All premiums notified as part of an instalment plan must be completed as per the contract. Any failure to meet the financial requirements can prejudice the contract and render it voidable.

Claims

To assist us to process any claim made by you it is vital that you notify us promptly when an incident, which may give rise to a claim, occurs. Delays may prejudice negotiations and entitle the insurer to repudiate the claim. In the event of uncertainty the incident should always be reported. For assistance and advice please contact our Claims Manager.

At the conclusion of any claim we will issue confirmation notices to our client detailing the settlement sum and any excess deducted. Should this amount appear on any statement of account in lieu of payment we will endeavour to settle this without delay. Any credit should not be taken until it is shown on the statement of account.

Complaints

In the event that our service does not meet your expectations, we ask you to make a complaint to us by contacting our Compliance Officer, either by telephone or in writing. We will acknowledge your complaint promptly, explain how we will handle it, and tell you what you need to do. We will keep you informed of the progress of your complaint.

We will handle your complaint fairly and, as part of our Quality Procedures, we will use it to maintain and improve our Client Service.

Should you remain dissatisfied you may have the right to refer the matter to the Financial Ombudsman Service (FOS) or to an Approved Dispute Resolution Facility. We enclose documentation detailing our Complaints Procedure.

Financial services compensation scheme

Miles Smith contribute to the Financial Services Compensation Scheme, which may entitle you to compensation if we cannot meet our liabilities.

Utmost good faith and duty of disclosure

The law imposes onerous duties upon anyone entering into an insurance contract and anyone acting on their behalf. For example the proposer has a duty to disclose all facts or circumstances that may influence the insurer in deciding whether to accept the insurance, impose special terms, or charge an increased premium. This duty arises not only at inception of the contract but also at renewal or in the event of any material change in the risk during the period of insurance. Similarly the duty also applies to the submission and substantiation of all claims. This information must always be disclosed to insurers.

A proposal or claim form, or any other document relating to the contract of insurance, must be answered fully and accurately. The provision and documentation of this information is the sole responsibility of the insured.

Ending your relationship with us

Subject to your immediate settlement of any outstanding premiums and fees, you may instruct us to stop acting for you and we will not impose a penalty.

Your instructions must be given in writing and will take effect from the date of receipt.

In circumstances where we feel we cannot continue providing services to you, we will give you a minimum of 7 days notice.

Unless otherwise agreed in writing, if our relationship ends, any transactions previously initiated will be completed according to these Terms of Business. You will be liable to pay for any transactions concluded prior to the end of our relationship and we will be entitled to retain commission received for conducting these transactions, together with all fees charged by us for services provided.

Paul B Chainey
Chief Executive Officer



Birchin Court 20 Birchin Lane London EC3V 9DU
Telephone 020 7283 0040 Facsimile 020 7220 0860

Authorised and regulated by the Financial Services Authority