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## Terms of Business

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### **Accepting our Terms of Business**

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Please read this document carefully. It sets out the terms and conditions on which we agree to act for you and contains details of our respective responsibilities. By asking us to quote for, arrange or handle your insurance, you are providing your informed agreement to these Terms of Business.

Please contact us immediately if there is anything in these Terms of Business which you do not understand or with which you disagree.

### **The Financial Conduct Authority**

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McGrady Insurance is a trading name of McGrady Limited which is authorised and regulated by the Financial Conduct Authority with FCA Register number 301016.

Our permitted business is arranging, advising, dealing as agent and assisting in the administration and performance of general insurance contracts and credit broking.

You can check this on the FCA's register by visiting the FCA website [www.fca.gov.uk/register](http://www.fca.gov.uk/register) or by contacting the FCA on 0800 111 6768.

### **Our Service**

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Having assessed your needs we will provide you with information or make a recommendation on the basis of either:-

- a "fair analysis" of the market or, in other words, on the basis of an evaluation of a sufficiently large number of contracts available in the relevant sector or sectors of the insurance market to enable us to give advice or provide information to you on your insurances which is adequate to meet your needs; or
- an evaluation of a limited number of insurers; or
- the terms offered by a single insurer.

Your specific circumstances will dictate which of these bases is the most appropriate for you. The approach which we adopt, will be based on our knowledge of the market, the quality of an insurer's policy terms and claims service and the insurer's ability to provide definitive contract terms at inception of insurance.

We will tell you which of these approaches we have adopted in placing or renewing your insurances. We will also tell you if we are contractually obliged to place any particular policies with one or more insurance undertakings.

Where we advise you on an evaluation of a limited number of insurers, you may ask us for details of the insurers we have approached.

### **Conflicts of Interest**

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We are a subsidiary of Global Risk Partners Limited which controls a number of insurance intermediaries. We may sometimes approach other group companies to provide quotes and may recommend their products if they are assessed to meet your needs.



## **Complaints**

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It is our policy to promote the highest standard of service for our clients. We endeavour to ensure that all complaints are resolved satisfactorily and in a timely manner.

If you have a complaint about our services, you may contact the member of our staff with whom you normally deal.

Alternatively please contact our Compliance Officer at the address below:

The Compliance Officer, McGrady Insurance, Rathmore House, 52 St. Patrick's Avenue, Downpatrick, Co. Down, BT30 6DS

Phone: 028 4461 5933

Email: [info@mcgradyinsurance.co.uk](mailto:info@mcgradyinsurance.co.uk)

You may make your complaint either orally or in writing. We will acknowledge receipt of your complaint promptly in writing and give you our response at the time, if we can.

If following receipt of our final response or after eight weeks if we have not yet provided you with our final response, if you are an eligible complainant, you have the right to refer your complaint to the Financial Ombudsman Service (FOS). Further information is available on their website below.

Financial Ombudsman Service, Exchange Tower, London. E14 9SR 0800 023 4567

[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

Who is an Eligible Complainant:

- Any private individual
- Any business which employs less than 10 people and has a turnover or annual balance sheet that does not exceed €2 million
- A charity which has an annual income of less than £1 million
- A trustee of a trust which has a net asset value of less than £1 million

## **Compensation**

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We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our obligations.

Insurance advising and arranging is covered by the FSCS for 100% of your claim if it relates to compulsory insurance. For other cases, it is covered for 90% of the claim, with no upper limit.

Further information about compensation scheme arrangements is available from the FSCS, via their website, [www.fscs.org.uk](http://www.fscs.org.uk) or calling them on 020 7892 7300.

## **Governing law and language**

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The relationship between us as broker and you as customer is governed by Northern Ireland law. If there is a dispute which cannot be resolved under our complaints procedure, it will only be dealt with in the courts of Northern Ireland.

These terms of business are supplied only in the English language and all communications for the duration of our appointment will be in the English language unless, if you are a customer in a European Economic Area state other than the United Kingdom, you require otherwise.

## **Payment for our Services**

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We normally charge a fee and/or receive commission from insurers or product providers. Some insurers may make additional payments to us reflecting the aggregate income and/or profitability of their account with us and/or in respect of work we undertake on their behalf. We use a third party, Premium Credit Limited, to provide premium finance. Where we introduce you



to the third party finance provider we receive a payment from them for introducing you. You can ask us at any time for full details of the income earned by us in handling your insurance.

We may also charge administration fees for handling your insurances.

Full details of any fees charged will be advised to you prior to inception of your policy.

### **Handling Money**

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Client money is money of any currency that we receive and hold on behalf of our clients in the course of carrying on business as an insurance intermediary, or money that we treat as client money in accordance with the FCA Client Money Rules. We may also hold premiums as agent of the insurance undertaking, in which case any money received by us is deemed to have been received by the insurance undertaking.

We hold client money in a non-statutory trust account. We will take any commission owed to us upon receipt of the premium. We will retain any interest earned on the client money we hold. We may extend credit to other customers using client money from this account.

We may transfer client money to another person, such as another broker or settlement agent for the purpose of effecting a transaction on your behalf through that person. By paying your premiums you are agreeing to us holding client money in the above manner.

### **Market security**

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We check the financial strength ratings of the insurers with whom we place your business using specialist rating agencies. We do not assess or guarantee the solvency of any insurer at any time during the contract period. If an insurer who has granted risk transfer to us becomes insolvent, any related premiums we hold for that insurer are deemed to have been paid to them and will not be returnable to you. In the event of any insurer's insolvency you may still have a liability to pay the premium. We do not accept any liability for any unpaid amounts in respect of claims or return premiums due to you from a participating insurer who becomes insolvent or delays settlement. You will also additionally have the responsibility for payment of premiums if you require replacement security.

### **Duty of Disclosure**

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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.

If you are a business insured (i.e. an insured who has bought insurance wholly or mainly for purposes related to their trade, business or profession) please note that the duty of disclosure has been amended following the introduction of the Insurance Act 2015. The business has a duty to disclose to the insurer every material circumstance which it knows or ought to know after reasonable search. Further information on the changes introduced by the Act are contained in the attachment below.

### **Warranties and Conditions Precedent**

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Following the introduction of the Insurance Act 2015 changes have been made to the manner in which warranties are treated. Further information on the changes introduced by the Act are contained in the attachment below.

Please also take particular note of any conditions precedent that appear in the policy. If a condition precedent to the validity of this policy or to the commencement of the risk is not complied with, the insurer will not come on risk. If a condition precedent to the Insurer's liability under this policy is not complied with, the insurer may not be liable for the loss in question. A condition precedent may exist in the policy using other terminology and without reference to the words 'conditions precedent'.



It is very important that you read the full policy carefully and, if you are unsure of, or are unable to comply with, any provisions, please contact us immediately.

### **Use of Personal Data**

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We will process any personal information we obtain in the course of providing our services to you in accordance with the Data Protection Act 1998. In administering your insurances it will be necessary for us to pass such information to insurers and other product or service providers (including other companies in our group). We may also disclose details to relevant parties, as necessary, to comply with regulatory or legal requirements. We may contact you in order to promote products or services which may be of interest to you.

Some of the details you may be asked to give us, such as information about offences or medical conditions, are defined by the Act as sensitive personal data. By giving us such information you consent to us processing this information in order to arrange and administer your insurances.

### **Cancellation of Policies**

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We will advise you whether you have the right to cancel the policy and the conditions for exercising these rights prior to conclusion of any insurance policy. Where a policy is cancelled, other than during the cooling off period if applicable, we will retain any fees and commission for the full policy period.

### **Payment of Premiums**

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You must pay your premiums on or prior to inception of the policy or within the timescale specified in the debit note we send you. Failure to pay premiums by the date specified may lead to cancellation of your insurances by insurers. In addition, where a premium payment warranty applies failure to pay the premiums in accordance with the warranty will result in the automatic suspension of your policies until payment is made even if the insurer chooses not to issue notice of cancellation of your insurances. The insurer will not be liable for any loss suffered during any period of suspension.

### **Claims**

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In the event of an incident occurring which could give rise to a claim under your policy, you should notify us as soon as possible in accordance with your policy conditions. Failure to do so could prejudice your insurer's position and lead to the claim being repudiated or not paid in full.

When we receive notification of an incident that could give rise to a claim, we will respond promptly, explain how we will handle your claim and tell you what you need to do. We will give you reasonable guidance to help you make a claim under your policy.

If there is a conflict of interest, we shall only handle a claim on your behalf after we have disclosed to you all information you require, to enable you to decide whether to give your informed consent and you have given that consent.

### **Severability**

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If any provision of these Terms of Business is found to be invalid or unenforceable in whole or in part, the validity of the other provisions of these Terms of Business and the remainder of the provision in question will not be affected

### **Rights of third parties**

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No provision of these Terms of Business will be enforceable, by virtue of the Contracts (Rights of Third Parties) Act 1999, by any person other than you or us.

### **Termination of the Agreement**

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This agreement may be terminated at any time by mutual consent or by the other party giving 14 days notice in writing.



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## Insurance Act 2015

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### **Fair Presentation**

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If you are a business insured (i.e. an insured who has bought insurance wholly or mainly for purposes related to their trade, business or profession) the business has a duty to make a fair presentation of the risk to the insurer. This entails disclosing to the insurer every material circumstance which you know or ought to know. You should conduct a reasonable search to ascertain all material facts within your organisation, making enquiries of senior management and other relevant individuals where necessary.

The disclosure should be made in a clear and accessible way.

This duty to make a fair presentation applies before your cover is placed, when it is renewed and any time that it is varied. Your policy wording may also provide that this duty continues for the duration of the policy.

A circumstance is material if it would influence an insurer's judgment in determining whether to accept the risk, or the terms of the insurance (including premium). If you are in any doubt whether a circumstance is material we recommend that it should be disclosed.

Failure to disclose a material circumstance may entitle an insurer to impose different terms on your cover or proportionately reduce the amount of any claim payable. In some circumstances an insurer will be entitled to avoid the policy from inception and in this event any claims under the policy would not be paid.

### **Failure to Disclose a Material Fact**

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Insurers have differing remedies depending upon the nature of the non-disclosure and what would have happened had you fairly presented the risk:

#### Deliberate or reckless presentation of the risk:

Insurers are entitled to avoid the policy and retain all premiums

#### Failure to present the risk fairly but this was not deliberate or reckless:

This depends on how the insurers would have dealt with the policy had the risk been fairly presented. If they can demonstrate that they would have not provided the policy they are entitled to avoid the policy and no claims would be payable. You would be entitled to a refund of the premium. If insurers would have provided the policy but on different terms, those terms will be applied to the policy from inception. If insurers would have provided the policy and charged an increased premium, claim settlements would be reduced by the proportion of the increased premium.

### **Warranties**

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A warranty is a term in an insurance contract which must be strictly complied with.

Under the new Act in the event that a warranty is breached, the insurer's liability may be suspended until the breach is rectified. Cover is reinstated once the breach is rectified, however, Insurers may have no liability to pay losses occurring or attributable to something happening during any such period of suspension.

Where a warranty or other term has been breached insurers may still be liable to pay claims occurring during the breach period, provided the insured can prove that the breach did not increase the risk of the loss which actually occurred and the provision breached does not define the risk as a whole.

### **Fraud**

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Insurers will be entitled to terminate the policy from the date of the fraudulent claim or act, but must still cover claims arising from incidents occurring before the fraudulent act

### **Contracting Out**

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Insurers may contract out of certain clauses of the Act (other than basis of contract clauses). We will advise you where they have contracted out of any clauses.