

TERMS OF BUSINESS

This document is effective from 14 January 2005. Please read it carefully. It sets out the terms upon which we agree to act for our clients and contains details of our regulatory and statutory responsibilities. It also sets out some of your responsibilities.

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

ABOUT OUR COMPANY

Bloodlines Thoroughbred Insurance Agency Ltd trading as Bloodlines is a specialist insurance broker, authorised and regulated by the Financial Services Authority (FSA) to transact general insurance business. Our FSA Registration number is 310489. You can check this information on the FSA's Register by visiting the FSA's website at www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234.

OUR PRODUCTS AND SERVICES

We normally select insurance products from a limited number of insurers, a list of whom is available on request. We do, however, have access to a wider range of insurers when necessary for particular risks.

Our service includes:

- Advice on risk exposure and insurance needs
- Arranging cover to meet requirements
- Help with ongoing changes
- Assistance on claims made on insurance policies we have arranged

For most insurances we are also authorised to issue policy documentation and/or certificates on behalf of the insurers.

METHODS OF COMMUNICATION

We will normally communicate with you by post, telephone and, where available, fax or email, in addition to any meetings we may have with you. Please let us know if you would prefer not to receive communications by e-mail.

INSURER SECURITY

Whilst we monitor the financial strength of the insurers with whom we place business it should be noted that the claims-paying ability of even the strongest insurers can be affected by adverse business conditions. We cannot, therefore, guarantee the solvency of any insurer or underwriter.

A liability for the premium, whether in full or pro rata, may arise under policies where a participating insurer becomes insolvent.

DISCLOSURE

You are responsible, on an ongoing basis, for providing us and/or your insurers with all material facts relating to the insurance covers we arrange on your behalf. Material facts are those which are likely to affect the assessment and acceptance of risks being insured. Failure to provide full and accurate information may mean that your cover is invalid. If you are in any doubt as to what facts are considered to be material then you should disclose them to us or your insurers.

It is very important that information given in proposal forms, claim forms and declarations to insurers is correct. If a form or declaration is completed on your behalf, it is your responsibility to check that the answers given to all questions are true and complete.

You are advised to keep copies of any correspondence you send to us or direct to your insurers.

FEES AND CHARGES

Unless otherwise stated in our documentation we make no charges in addition to the insurer's premium.

In the event of a policy being cancelled mid term, and not replaced by another policy, we reserve the right to retain the commission earned on the original transaction.

METHODS OF PAYMENT

We normally accept payments by cheque or by bank transfer. We will give full information about premium payment options when we provide quotations and at renewal.

SETTLEMENT TERMS

You are responsible for the prompt settlement of insurance premiums so that we can make the necessary payments to your insurers.

We have no obligation to fund any premiums on your behalf and cannot be held responsible for any loss which you may suffer as a result of a policy being cancelled or otherwise prejudiced due to the late payment of a premium where the delay is attributable to you.

HANDLING CLIENT AND INSURER MONEY

We usually hold money as agent of the insurer. However, in some instances we also hold money as agent of the client.

All client money collected for onward transmission to insurers and return premiums, credits and claims payments due to clients from insurers is held in a Client Bank Account under a Statutory Trust in accordance with FSA rules. For the purpose of some transactions, client money may pass through other authorised intermediaries before the insurer receives it.

Client money is deposited with one or more approved banks, a list of which is available on request. Please notify us immediately if you do not wish us to use any bank or banks on this list.

Interest will not be paid in respect of money held in the Client Bank Account as the account is not interest-bearing.

CONFIDENTIALITY

All information provided by our clients is treated as confidential and only disclosed in the normal course of negotiating, arranging and administering your insurance. This may include disclosing information to agents and service providers such as loss adjusters and approved contractors.

With a few exceptions, for example information requested by a court, a regulatory body, or information which is already in the public domain, we will not release information to any other party without your consent.

We are registered under the Data Protection Act 1998 and undertake to comply with the Act in all our dealings with personal data.

QUOTATIONS

Unless stated otherwise in our documentation all quotations provided for new insurances are:

- Valid only for a period of 30 days from the date of issue and
- Subject to satisfactory completion of the insurer's Proposal Form or a signed and dated Declaration.

You should be aware that quotations may change or be withdrawn if the information given to us or your insurers in proposal forms or declarations differs from that provided at the time the quotation was issued.

CHANGES TO YOUR COVER

We will normally deal with requests to increase or amend cover on the day your instructions are received, or the next working day if a weekend or public holiday. Sometimes changes cannot be processed without obtaining additional information. If additional information is required we will contact you as quickly as possible.

We will confirm changes to your policy, once agreed, in writing. We will also advise you of any extra premiums you must pay or premiums we must return to you.

RECEIPT OF INSTRUCTIONS

We do not consider instructions to arrange or change cover sent to us by post, electronic mail or facsimile, or left on answering equipment, to have been received until they reach the relevant personnel in our offices.

We do not accept responsibility for instructions which do not reach us due to failures in the postal, electronic or telecommunications systems.

DOCUMENTATION

Our aim is to produce documentation and correspondence in a clear and understandable format. In the event of any uncertainty we would ask you to let us know immediately. Our staff are always happy to clarify the cover provided.

You should check all policy documentation to ensure that the details are correct and the cover provided meets with your requirements. Any errors should be notified to us immediately.

TRANSFERRED BUSINESS

If we take over the servicing of insurance policies which were originally arranged through another insurance broker/intermediary or directly with an insurer, we do not accept liability for any claim arising out of the advice given by that broker/intermediary or insurer, nor for any errors, omissions or gaps in your current insurance protection.

We would ask you to contact us without delay should any aspect of a policy which has been transferred to us cause you concern or if you need an immediate review. Otherwise we will endeavour to review all transferred policies as they fall due for renewal.

MAKING A CLAIM

Please ensure that you report all incidents that could give rise to a claim as soon as they occur, either by telephoning our office or writing to us. You will be advised if you need to complete a claim form or produce documentation to support your claim.

In certain circumstances late notification may result in your claim being rejected.

If we act on behalf of an insurer in negotiating and settling claims we will inform you that we will be acting on behalf of the insurer at the point of the claim.

You should be aware that a claim arising after renewal of the policy has been invited might affect the assessment and acceptance of renewal by your insurers.

CONFLICTS OF INTEREST

As independent insurance intermediaries we act as the agent of our client. We are subject to the law of agency which imposes certain duties on us. We also have proper regard for the interests of others, including the insurers for whom we also act.

On the discovery of any actual or potential conflict of interest we will inform you of the situation, the options available to you and obtain your consent before we carry out your instructions.

COMPLAINTS PROCEDURE

We recognise the importance of service and set ourselves high standards. Should there be an occasion when we do not meet your expectations we are equally committed to dealing with any complaint in a thorough and professional manner.

If you wish to register a complaint please contact us:

- In writing, addressed to the Office Manager, Bloodlines, 27 Adam and Eve Mews, London W8 6UG
- By telephone to the Office Manager on 020 7938 3033

If you cannot settle your complaint with us you may be entitled to refer it to the Financial Ombudsman Service.

COMPENSATION

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the FSCS if we cannot meet our obligations, dependant on the type of business and the circumstances of the claim.

Insurance advising and arranging is covered for 100% of the first £2,000 and 90% of the remainder of the claim, without any upper limit. For compulsory classes of insurance, insurance advising and arranging is covered for 100% of the claim without any upper limit.

Further details about compensation scheme arrangements are available from the FSCS.

TERMINATION OF AUTHORITY

You may terminate our authority to act on your behalf with fourteen days notice or as otherwise agreed without penalty. Notice of this termination must be given in writing and will take effect from the date of receipt. Termination is without prejudice to any transactions already initiated which will be completed according to these Terms of Business unless otherwise agreed in writing. You will be liable to pay for any transactions or adjustments effective prior to termination and we will be entitled to retain any and all fees or brokerage payable in relation to policies placed by us prior to the date of termination.

CANCELLATION RIGHT

If you take out a policy through us you may have a right to cancel the cover up to 14 days from the later of:

- The policy start date or the date you receive full policy documentation from us
- The renewal date or the date you receive full renewal documentation from us

You will be informed if you have such a Cancellation Right in separate documentation.

Should you decide to exercise the Cancellation Right you will be entitled to a refund of premium less an appropriate pro rata charge for the period of cover given before the cancellation right was invoked. If the premium has not been paid, a charge may be made for the period of cover given prior to the exercise of the Cancellation Right.

Should any claim occur prior to the exercise of the Cancellation Right where the claim terminates the insurance cover, your insurers may not allow a refund of any of the premium paid.

If this Cancellation Right is not exercised within the 14-day period as stated above, and you decide to cancel the policy at a later date, the amount of any premium refund will depend upon the cancellation terms of your insurance policy.

To exercise the Cancellation Right you must contact us at our usual office address.

LAW AND JURISDICTION

These Terms of Business shall be governed by and construed in accordance with English Law.

In relation to any legal action or proceedings arising out of or in connection with these Terms of Business we both irrevocably submit to the non-exclusive jurisdiction of the English courts.