

THE BOARD OF MANAGEMENT OF UHI NORTH WEST & HEBRIDES

RENEWAL REPORT 2024 / 2025

Introduction

As it is approaching your renewal date, we are taking the opportunity of reviewing your insurance requirements, and hope that the contents of this report will be helpful in pulling together your programme for the forthcoming year.

Our objective when commencing an exercise like this is to ensure that we yet again put forward for your consideration the most cost-effective and appropriate insurance programme.

As your existing broker, we feel that we possess a good knowledge of your business and its requirements in terms of your insurance and risk management needs, and this is a factor you also need to consider in terms of the relationship with your existing

insurers and the renewal terms that they are offering as well. Your current insurers were selected 12 months ago as they were the most appropriate at that time, and there is every chance that this could still be the case now.

However, the market and your situation can change over a 12 month period, so terms provided by alternative insurers also need to be considered carefully.

In this way, you are able to consider all the options available in the market, and we look forward to continuing to work with you to ensure that your business is adequately and cost effectively covered going forward.



Basis of Cover

We act on an “advised” basis which means we will be making a personal recommendation of a specific insurance policy(ies) based on the 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.

Our Terms of Business Agreement (TOBA) can be found at the end of this report. Please read this carefully, as we will provide our service in line with this.

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 this 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 cover 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 motor convictions or disqualifications 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 & 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 notify us immediately.

Adequacy of amounts Insured

One of the most common causes of disputes when it comes to making a claim is the adequacy of the values that clients have selected to be insured for. It is a client’s responsibility to decide on the costs of replacing/repairing buildings, contents or stock and it is important that these values are regularly considered. If, when a claim occurs, the value is insufficient it can make a considerable difference to the amount that is paid by Insurers.

We therefore strongly recommend that you review the realistic costs of the replacement / repair of property, the length of time it may take for your business to regain its trading position after a loss, and the indemnity limits of your liability exposures.

Companies and Activities

The renewals/quotations covered by this Summary have been sought from various insurers in the name of the companies detailed below and based on the business activities stated.

Some of the companies mentioned below may be dormant, however, they are included as it is a statutory requirement that any limited company holds Employers Liability Insurance.

Warranties and Policy Conditions

Where specific warranties apply, they must be complied with strictly, and in full. Any breach could result in the policy being voided by the Insurer. Equally certain conditions which are not warranties can have a bearing on the operation of cover.

Refer Appendix A in this document for further information.

Your Requirements

We have assessed the information about your business circumstances that you have provided to us to help 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.

Our Recommendation

Under each policy we have made a recommendation of placement with the Insurers advised based on 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 based on the information you have provided.

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 with 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 of your claim.

Companies Insured

The Board of Management of UHI, North West and Hebrides trading as UHI North, West and Hebrides

Business Description

Higher and Further Education Institution and delivery of Research through the Environmental Research Institute and Equine Flexi Learning Centres including the provision of golfing lessons to members of the public for fee.

IMPORTANT NOTICE REGARDING BUSINESS DESCRIPTION & COMPANIES INSURED

It is important that you advise any alterations to the preceding description of business, or indeed of any aspect which may increase the original risk including acquisitions or disposals, adoption or cessation of processes or systems.

Insurers have assessed and accepted the risks at the quoted premium on the basis of information given. Any variations of those details, if not advised to them, could result in an uninsured loss.

Insurer Security

Gallagher has undertaken a market security review of the credit ratings of your proposed Insurers and the Standard & Poor security rating (an industry recognised standard) being as follows:

Insurer	Security Rating
Aviva	A
BES	A+
ERS	A+
Markel Via Lycetts	A
RSA	A+

Insurance Programme Review

Class of Insurance	Premium 2023/24	Premium 2024/25
Commercial Combined	£59,175.44	£60,115.98
Drones	£706.29	£2,145.90
Equine Public Liability	£3,042.90	£3,010.50
Professional Indemnity	£2,500.00	£2,500.00
Group Personal Accident & Travel	£2,364.00	£2,364.00
Motor Trade	£1,000.00	£1,000.00
Motor Fleet	£14,429.00	£14,450.00
Marine- Boat	£2,520.00	£2,650.00
Engineering Inspection	£9,131.40	£10,155.29
Engineering Insurance - Biomass	£100.00	£100.00
Sub-Total	£94,969.03	£98,491.67
Insurance Premium Tax (IPT)	£10,446.57	£10,600.37
VAT	£1,826.28	£2,031.06
Insurer Fee (£20.00	£64.03
Broker Fee	£8,000.00	£8,500.00
Business Continuity Management (refer to note 3 below)	Not Applicable	£0.00
Total	£115,115.83	£119,687.12

NOTES:

- Summary:** As you'll see from the above table, the overall increase for insurance period 2024/25 is £6,726.35 / 5.84%. This increase is predominantly down to organic growth.
- Commercial Combined:** We're pleased to confirm that in line with the college's current Long Term Agreement, the Commercial Combined rates remain unaltered.
- Business Continuity Testing:** Revising and enhancing Business Continuity Management (BCM) arrangements is crucial for promptly and effectively recovering from major disruptions. Although numerous colleges have a Business Continuity Plan (BCP, it is imperative to consistently evaluate, practice and assess the plan to fully establish its suitability. Testing of the plan is essential for identifying vulnerabilities, validating its efficacy, and improving communication and co-ordination. As Gallagher are one of the world's largest insurance brokerage, risk management and consulting firms, as part of our approach, we have a specialist team able to apply a consistent method for running table top exercises with the

college senior leadership teams, focusing on realistic scenarios that might disrupt normal college operations.

Please refer to the Business Continuity Testing risk page of this report for full details.

4. **Engineering Inspection:** Additional items have been inspected meaning that an additional premium is payable of **£315.38 + VAT**.
5. **Gallagher Business Assist:** From renewal, your claims management service will move from Lorega to Gallagher Business Assist. Further details are available in the body of our report.
6. **Payment:** Premium payable last year in full.
7. **Tax:** Insurance Premium Tax (IPT) is 12.0% and VAT at 20% (Engineering Inspection only).

CLASS OF INSURANCES



Gallagher

Insurance | Risk Management | Consulting

Class of Insurance	Commercial Combined
Insurer	Aviva
2023/24 Premium	£59,175.44 + IPT
2024/25 Premium	£60,115.98 + IPT

Rates are unaltered due to the existing Long Term Agreement (LTA) which remains in place until 2025 with the further option to extend this by 2 years.

The increases are organic in nature and have been derived from the sums insured and estimates provided in the pre-renewal questionnaire. This year's premium increase is a direct reflection of these amendments and the mid-term building valuation, which are outlined below for the purpose of comparison.

Comparison of changes since last year's renewal:

Cover	2023-2024	2024-25	Percentage Change
Buildings	£230,768,285	£236,544,847	+2.5%
Machinery, Plant and Contents	£15,004,094	£16,065,978	+7.8%
Computer	£915,048	£670,000	-26.78%
Equipment Taken Away from the Premises	£818,000	£430,000	-47.48%

Building Plans

During the pre-renewal meeting, it was discussed that works will be taking place at the Fort William Campus prior to the summer period. The college will provide an update on this so that AJG can ensure adequate insurance coverage is in place, please refer to the undernoted section titled 'subjectivities' as this highlights what information is required by insurer's.

Currently, the college's Commercial Combined policy includes a Contract Works extension with a limit of £250,000, which is suitable for most small projects. However, any works exceeding £100,000 or involving the use of must be disclosed so we can inform insurers accordingly.

We have requested costings from Aviva to increase the Contract Works Limit to £500,000, this will be an annual additional premium of £75.00 plus Insurance Premium Tax. We would recommend the college implementing this.

Low Claim Rebate

A storm claim was reported by the college in the last year. The current reserve for this claim, which involves is £34,500. This has resulted in a Loss Ratio of 67% meaning that at the time of writing the college do not qualify for a Low Claims Rebate. However, since the claim is outstanding, will maintain the Long-Term Agreement (LTA) and reserve the right to reassess the claim at the next renewal if accurate costings will be available.

Wick College

During the Pre Renewal meeting, the college advised that an offer had been accepted on Wick college, with sale to complete in the coming months. Please provide an update.

Clarification awaited in respect of:

- Stornoway Campus development – Is any revision required to the Buildings Sum Insured following any of the staged handovers?
- Environmental Research Institute – Contents Sum Insured to be maintained at current limit of £2,175,017

Unoccupied Residential Properties

Please note the following condition applying to the policy in respect of unoccupied premises

If in relation to any claim for Damage while The Premises are Unoccupied, You have failed to fulfil any of the following conditions, We will not pay that claim.

You must

(1) carry out internal and external inspections of the buildings at least every 7 day(s) days, maintaining a log of

such inspections and, as soon as possible, repair, or arrange to repair, any damage or defects found including the removal of graffiti

(2) remove all waste, unfixed combustible materials and gas bottles, either within or outside the buildings, from

The Premises

(3) securely lock and close all external doors, and windows, and secure and seal all letter boxes and openings

(4) wherever possible, turn off all sources of power, fuel and water at the mains, chain and padlock the isolation valves, drain all water and fuel supply tanks, apparatus and pipes

However, where the buildings are protected by an

(a) Intruder Alarm, CCTV or Fire Detection System or sprinkler installation, You must provide sufficient power, heat or water supplies for their effective operation.

(b) security patrols, You must provide sufficient power for safe and effective internal inspection

(5) tell Us immediately if any building at The Premises becomes Unoccupied, if the buildings are to be occupied by contractors for renovation, alteration or conversion purposes or if the buildings are to become occupied or used.

Where The Premises are empty, vacant or disused but are tenanted, (1), (2), (3) and (4) above apply to the extent that they may be reasonably and practically implemented without frustrating or invalidating the lease, unless We agree otherwise in writing.

Subjectivities

1. Aviva's Long Term Agreement to be signed and returned prior to renewal
2. Aviva's Safeguarding Questionnaire –note this has been received – with one final question to complete the question (4) How long do you retain documents, as this has been left blank
3. Survey of the premises situate Environmental Research Institute, Thurso, KW14 7JD and Burghfield House Hotel, Dornoch, IV25 3HW and completion on any risk improvements deemed necessary, within the agreed timescales
4. No Material change in the risk
5. No significant deterioration in claims
6. No change in legislation or legal practice, reinsurance or insurance industry practice
7. Insurer survey requirement completed by the required dates.
8. Full details of any successful bid/contract prior to any work commencing. As a starting point, we will need the below information:
 - a. Location of works (including post code)
 - b. Building name
 - c. Full description of works
 - d. Scope of work including timeline Gannt chart (if available)
 - e. Contract value (inclusive of VAT)
 - f. Contractor Name
 - g. Contractor insurance details
 - h. Start date

- i. Completion date
- j. Confirmation of if the works are insured via the contractor or by the college
- k. If under JCT, which insurance option has been chosen- A, B or C? Or if Minor Works, which option?
- l. Are hot works being carried out? Please provide full details if so.
- m. Any other information you feel is relevant

We recommend renewal of this policy with Aviva.

Class of Insurance	Drones
Insurer	Starr International Europe Ltd & Travelers Europe via Coverdrone
2023/24 Premium	£706.29 + IPT
2024/25 Premium	£2,145.90 + IPT + Insurer Fee £24.03

This policy offers coverage for public liability and property damage in relation to airborne equipment operated by the college, as specified in the tables below:

Cover	2024-25
Airborne Equipment Sum Insured	£56,250
Ground Equipment	£500
Public /Products / Aviation Liability Limit of Indemnity	£2,000,000
Excess	£100

It is important to accurately assess the value of the colleges drones as this will have an impact on the college's premium.

Make	Model	Serial Number	Value
DJI	Air 2S	S/N YTDJ240032K49	£1,250
DJI	Phantom 4 RTK	OV2DGAW RA30023	£7,000
DJI	Phantom 4 Pro V2.0 UAV	HUDH3U 2710012	£3,000
Tetra	TD-7 water landing UAV incl Sensors	MN501S	£20,000
Aibotix	X6 UAV	AB0403 10-34	£25,000

We recommend renewal of this policy with Coverdrone.

Class of Insurance	Equine Public Liability
Insurer	Markel via Lycetts
2023/24 Premium	£3,042.90 + IPT + £20 Policy Fee
2024/25 Premium	£3,176.94 + IPT + £40 Policy Fee
2024/25 Alternative Insurer	£3,010.50 + IPT + £40 Policy Fee

Your existing policy provides a Public Liability **£10,000,000** limit of indemnity in respect of the colleges Equestrian courses. This provides protection for your legal liability for personal injury or third party property damage.

The policy provides a Care Custody & Control limit up to £10,000 in respect of any one horse with £100,000 in the annual aggregate.

The Care & Custody Control Limit refers to the maximum amount of coverage provided for any one horse in the event of injury, illness, or loss while under the care and custody of the college ensuring that the college has adequate financial protection in case of any unfortunate incidents involving the horse.

Additionally, there is also an annual aggregate limit, which represents the maximum total coverage amount available for all horses in the insured party's care and custody throughout the policy year. This limit considers the cumulative risk exposure of all the horses insured under the policy.

Cover	2023-2024	2024-25
Maximum Number of Horses on the premises	N/A	N/A
Number of Tuition Horses	8	8
Number of Horses Owned / On Loan to you	N/A	N/A
Number of Livery Horses	18	18
Number of Stud	N/A	N/A
Number of Shows	Up to 5	Up to 5

Important Note

At present, premiums for the upcoming insurance period are only estimates. Insurers can only formally confirm their terms within 30 days of the renewal date. We have explored other options and approached an alternative insurer to secure better terms. Unfortunately, their terms are not competitive compared to your current provider.

Subjectivities

Insurers have requested further details regarding the other activities such as use of the arena other than by owners of livery horses. Is the equine college staff providing instruction to non-students of the college?

We recommend renewal of this policy with Hiscox via Shearwater.

Class of Insurance	Professional Indemnity
Insurer	Aviva
2023/24 Premium	£2,500.00 + IPT
2024/25 Premium	£2,500.00 + IPT

Your existing cover is on a **£5,000,000** limit of indemnity. The policy provides protection to the college in respect of allegations of failure to educate cover.

This policy will provide cover for Ofsted Inspector role of college staff if fees are paid to the college.

Aviva's rating remains unaltered on the basis that there have been no claims advised.

We recommend renewal of this policy with Aviva.

Class of Insurance	Group Personal Accident & Travel
Insurer	Aviva
2023/24 Premium	£2,364.00 + IPT
2024/25 Premium	£2,364.00 + IPT

Your existing policy cover provides cover for Personal Accident & travel cover, with onsite personal accident cover operative for teaching/support staff, supervisors, pupils and governors.

There is no increase Aviva's rating rate as the travel pattern remains unchanged.

Please ensure the undernoted travel pattern accurately reflects the college's trips, please note:

One day is 1 person per day. A trip of 10 students/staff for 7 days equates to 70 days

Cover	2023-2024	2024-2025
UK	5,200	5,200
Europe	120	120
North America	0	0
Rest of World	30	30

We recommend renewal of this policy with Aviva.

Class of Insurance	Motor Trade
Insurer	Aviva
2023/24 Premium	£1,000.00 + IPT
2024/25 Premium	£1,000.00 + IPT

This policy provides cover for College owned and Customers vehicles, Public Liability Indemnity and a Road Risks extension relative to the College Motor Trade Department vehicle servicing and repairs curriculum activities at the colleges premises.

Cover has been provided for **£50,000** of your own vehicles used in the motor trade department, **£50,000** Customers Vehicles, plus **£5,000,000** Public Liability Limit of Indemnity in connection with your Motor Department activities.

We recommend renewal of this policy with Aviva.

Class of Insurance	Motor Fleet
Insurer	ERS
2023/24 Premium	£14,429.00 + IPT
2024/25 Premium	£14,450.00 + IPT

Following on from the recent steep inflationary pressures, peaking at 10% in 2023, and the continuing impact that this has had on motor repair costs, ERS have applied a 6% premium uplift to the policy. Since the college has decreased the number of vehicles compared to last year, the subsequent increase is minimal compared with last year's premium. Additionally, the base excess on the policy is to be increased from £150 to £250, with windscreen excesses unchanged, to assist with these inflationary pressures.

With the general motor insurance market seeing premium increases in excess of 10%, this renewal invite is an excellent result for the college and reflects your continuing positive claims performance.

Renewal terms have been based on the following schedule:

Vehicles	2023-2024 Vehicles	2024-2025 Vehicles	Annual Rate Per Vehicle	Premium
Private Cars	11	8	£587.00	£4,696.00
Minibuses	5	6	£1,008.00	£6,048.00
Commercial Vehicles/Van	6	6	£438.00	£2,628.00
Agricultural Vehicles	2	2	£216.00	£432.00
Unregistered Agricultural Vehicles – Fork Lift Truck	1	1	£216.00	£216.00
Total Vehicles	25	23		
Occasional Business Use *	✓	✓	£320.00	£320.00
Motor Legal Expenses **	✓	✓	£5.00	£110.00

Registration	Make/Model	Vehicle Type
SY19 FYP	Ford Fiesta	Private Car
SA20 ZPS	Dacia Logan	Private Car
SA20 ZRO	Dacia Logan MCV Essen	Private Car
SA20 ZRP	Dacia Logan MCV Essen	Private Car
SA20 ZRT	Dacia Logan MCV Essen	Private Car
SA20 ZRV	Dacia Logan MCV Essen	Private Car
SK20 DZV	Toyota Hilux Active 4W Pickup	Private Car
Registration	Make/Model	Vehicle Type
SX68 MXU	Toyota Hilux Active 4WD 4 X 4 Pickup	Private Car
SG70 ZHA	Renault Kangoo	Minibus
MJ70 YFB	Ford Minibus 9 Seater	Minibus
HL19 JBV	Peugeot Boxer 17 seater	Minibus
WA17 CBX	Peugeot Boxer 17 seater	Minibus
WA66 DSX	Peugeot Boxer 17 seater	Minibus
CP19 EBC	Ford Tourneo 9 seater	Minibus
SK16 APV	Citroen Relay 35 L3H2 Enterprise HDI 150	Commercial Vehicle
SB19 HTF	Citroen Relay L2H2 Blue HDI	Commercial Vehicle
SD19 XFA	Renault Trafic LL29 Business	Commercial Vehicle
SH19 KBX	Renault Kangoo LL21	Commercial Vehicle
SL67 VWD	Nissan Navara Acenta	Commercial Vehicle
SP19 LBA	Ford Transit Connect	Commercial Vehicle
SY71 AOS	Suzuki Quad Bike	Agricultural
TBC	Nifty Lift Mobile Platform	Agricultural
H2X391E00010	Linde H20 (non road registered)	Fork Lift Truck

*Occasional Business Use

Provides contingency cover in respect of unplanned and infrequent Occasional Business Use for staff vehicles should this be required.

**Motor Legal Expenses

Provides Legal Expenses in respect of motor and gives you legal cover to re-claim any uninsured expenses following a none fault claim such as your excess.

Rates have increased in line with the motor market in general to account for increased costs, claims inflation and general inflation.

Motor Insurance Database

It is noted that a designated member of college personnel, Jule Knapp, is to undertake all necessary adjustments to the Motor Insurance Database portal, in line with insurers policy terms and to comply with your legal requirements to do so within 14 days of a vehicle addition/deletion.

Please note, if there are any vehicle alterations that occur between issuing our renewal report and the renewal date, the renewal premium may alter.

NOTE: MID Access – Portal Change

The current Motor Insurance Database (MID) administered by the Motor Insurers' Bureau (MIB) changed IT platform from the current portal to a new modern platform called Navigate from Monday 29th April 2024. All vehicles on the current MID IT platform were therefore moved by the MIB to the new platform from that date. To access Navigate, users are required to set up a new password with two factor authentication. MIB will have issued those users **currently registered** who update the current MID log for the college, before this change went live, detailing how to set up the new access. Please note, only the lead email account will have automatically updated and all other users would need to register as a new user.

If you have any queries about accessing the new system please refer to the MIB online guides available via the following link:

[Training \(mib.org.uk\)](https://mib.org.uk/training)

[navigate-policyholder-quick-start-guide.pdf \(mib.org.uk\)](https://mib.org.uk/navigate-policyholder-quick-start-guide.pdf)

[navigate-policyholder-user-guide.pdf \(mib.org.uk\)](https://mib.org.uk/navigate-policyholder-user-guide.pdf)

Temporary Hire Vehicles

Whilst your motor fleet policy will accommodate insurance cover for temporary additional vehicles which may require insurance cover throughout the policy year, you should retain a record of all temporary hires including type of vehicle and length of hire. Insurers will review the log of hire vehicles and may charge an appropriate monthly/year end adjustment premium for cover provided retrospectively.

Trailer cover attached or detached

Sections 1 and 2 of your policy document (Liability to others and Loss of or damage to your vehicle) are extended to apply to any trailer which is attached to or detached from your vehicle, provided that the value of the trailer does not exceed £5,000.

If the trailer is detached from your vehicle, cover will only apply if,

- the trailer is fitted with a security device which is in operation when the trailer is not in use; and
- the trailer is securely parked with the brakes on.

Insurers are not liable for the loss of or damage to any contents in or on the trailer.

We recommend renewal of this policy with ERS.

Class of Insurance	Engineering Inspection & Insurance for Biomass
Insurer	British Engineering Services (BES)
2023/24 Premium	£9,131.40 + VAT; £100 +IPT (Biomass)
2024/25 Premium	£10,155.29 + VAT; £100 + IPT (Biomass)

Inspection of plant items as disclosed to Insurers and outlined in Inspection Plant Schedule accompanying our report.

We strongly recommend that, internally, the college obtain confirmation from your estates teams that all inspections for necessary items and at all premises are embraced by Inspection service providers, and that your Statutory Inspection Certification remains up to date. Please advise us immediately if any additional campus locations and/or items need to be added.

As additional Items have been picked up by engineers during the policy period there is an additional end of year declaration additional premium of **£315.38 plus VAT**.

Similarly if there were to be fewer plant items inspected then those initially shown on the plant schedule this may result in a refund. These will be picked up by insurers on an end of year declaration separately.

Please be aware that if insurers are unable to inspect plant because it is either not available or not prepared for inspection then as per policy conditions insurers may charge additional exceptional billing fees.

We would also remind you that where an item is marked as plant not available, the onus is on the college to contact the service provider to reschedule an appointment to arrange for the items to be inspected before they become overdue. If an item does become overdue, it is our understanding that it should be put out of service until it can be inspected. Although we understand that this could impact greatly on the college, this is not just an issue from an insurance point of view, this would have greater implications with the HSE should items continue to be used and an incident occurs due to a safety issue.

Renewal has been invited including a living wage increase of approximately 5-6%, as most of the cost of this service is the time of the inspectors visiting your site.

We recommend renewal of this policy with BES.

Class of Insurance	Marine Insurance
Insurer	RSA
2023/24 Premium	£2,520.00 + IPT
2024/25 Premium	£2,650.00 + IPT

Renewal has been based on the following information below. Please review this and ensure it meets with your requirements for the forthcoming period. If the college have any additional boats which are to be included please advise the details so they can be added to the existing policy

Cover	Material Damage All Risks - Whilst ashore or afloat, being lifted out or launched in transit by road, rail, air or car ferry. Theft Cover. Underwater Damage Cover, Passenger Liability & Salvage Cover/Wreck Recovery
Make & Type of Vessel – WHC	Levanto Mallaig – The Rib
Make & Type of Vessel – OHC	Colaisde A’Chaisteil – Sunspeed
Use - WHC	University Use for Research & Teaching
Use - OHC	Training Students enrolled at the college
Hull Machinery Gear & Equipment Value - WHC	£42,500
Hull Machinery Gear & Equipment Value - LCC	£21,200
Ancillary Trailer for Levanto	£1,500
Navigational Limits	British Isles and waters of the British Isles
Third Party Liability	£3,000,000
Policy Excess	£1,000

We therefore recommend renewal of this policy with RSA.

Class	Business Continuity Management (BCM)
Product	Gallagher Risk Management
2024/25 Premium	£750.00 (insurance premium tax not applicable)

Business Continuity and Further Education

Effective Business Continuity Management (BCM) arrangements are invaluable for swiftly and efficiently recovering from significant disruptions. While many colleges have a BCP, it's essential to regularly test, exercise, and review the plan to understand and maximise its value. Testing the plan is vital for identifying weaknesses, validating effectiveness, and enhancing communication and coordination. It also helps in training employees, boosting confidence, improving response and recovery time, meeting governance and compliance requirements, and driving continuous improvement.

The Gallagher Approach

Gallagher's specialist team has created a consistent method for running tabletop exercises with college senior leadership teams. These exercises focus on various realistic scenarios that might disrupt normal college operations. The aims and benefits of conducting such exercises can be found below:

- **Identify Gaps and Weaknesses:** This process helps uncover areas that may not have been adequately addressed or potential vulnerabilities that need to be rectified before an actual crisis occurs.
- **Validate Effectiveness:** It allows colleges to assess whether the BCP can effectively mitigate risks, minimise downtime, and ensure the continuity of time-critical activities.
- **Train Employees:** Testing and exercising the plan helps train employees on their roles and responsibilities during a crisis, ensuring they understand their tasks and can execute them effectively when needed.
- **Build Confidence:** Testing and exercising builds confidence in the BCP and the college's ability to handle crises. Improve response and recovery time: By testing the plan, colleges can identify areas where response and recovery time can be improved.
- **Governance and Compliance Requirements:** Testing and exercising are often required by regulatory bodies or industry standards. colleges need to demonstrate that they have tested their BCP to comply with these requirements and avoid potential penalties or legal issues.
- **Enhance Communication and Coordination:** It helps identify any communication gaps or breakdowns and allows colleges to improve their communication strategies during a crisis.
- **Continuous Improvement:** It provides valuable insights and feedback that can be used to refine and enhance the BCP over time, ensuring it remains effective and up-to-date.

The Gallagher Service

Gallagher's service to help colleges develop and conduct beneficial BCM exercises is designed to provide a range of scenarios with minimal time and input required from the college. The process involves:

- Initial information request to the college upon acceptance of the exercise. This request will be for the consultant to obtain details of the services and courses provided by the college (whether academic, vocational, or commercial), details of the campus/ building layout, and to obtain sight of the current BCP.
- Thirty-minute telephone/video call with a college representative to agree on a suitable scenario, and to customise relevant elements of that scenario for the college. A 'library' of

scenarios are in place that cover infrastructure failures, external issues, people issues, and natural hazards.

- Delivery over a two-hour period of a scenario exercise using the Microsoft Teams platform, enabling college participants to join from multiple locations if necessary. A PowerPoint presentation will drive the scenario through four or five stages (not in real time), and include a number of specific issues and questions to be considered by the college team at each stage. The college will also be provided with a form for participants to complete immediately following the exercise that enables team members to provide feedback to the person responsible for BCM on the positive aspects of business continuity, learning points, and any specific actions required for improvement. The Gallagher consultant will follow upon the exercise session with an email summarising observations from the exercise and any recommendations noted.
- A certificate of completion of such an exercise will be sent to the college confirming that a tabletop validation exercise has been carried out by an appropriately qualified, independent consultant.

If the college believes that an exercise has highlighted the need for further assistance from the Gallagher consultant in improving current BCM arrangements, any additional support will be the topic of further discussions. Our consultants can offer various related services, such as:

- Thorough reviews and gap analyses of existing arrangements.
- Carrying out all stages of the BCM lifecycle, including business impact analysis, risk/threat assessment, and BCP development.
- Tailored training across all subject areas.
- Ongoing consultancy support for in-house programmes.
- More intricate tests and exercises tailored to specific needs, accompanied by comprehensive post-exercise reporting.

We recommend the college accept this risk management proposal as part of renewal.

Class	Claims Management
Product	Gallagher Business Assist
2024/25 Premium	Included within the broker fee

This is a loss presentation service, which is provided by our own in-house Chartered Loss Adjusting Team and provides the following benefits:

- Technical claims support, administration and ease of access to key decision makers.
- Manages meetings with insurers including preparing, presenting, and negotiating claims settlement with insurers.
- Meets your service requirements.

The cost of the annual Business Assist service is £nil to the college and paid as part of your fee to Gallagher.

In the event of a qualifying claim, the you will benefit from specialist support and guidance provided by Gallagher's own in-house team of Loss Controllers. They are all Associates of the Chartered Institute of Loss Adjusters, as a minimum qualification, and highly experienced in dealing with major or complex losses.

These specialists:

- Represent the client's best interests
- Provide immediate advice on what to do straight after the incident has happened, including site visits as appropriate
- Advise the client on their options and entitlements under the terms of their policy
- Attend meetings with the insurer and their appointed loss adjusters/agents to present the claim in the most appropriate light
- Provide specialist help on valuing, preparing, presenting and progressing the claim for the best chance of a speedy and successful outcome
- Advise on documentation and supporting evidence required to progress the claim
- Advise the client on how to avoid breaching their claims related policy conditions and steer them around common pitfalls and obstacles
- Negotiate interim payments on the client's behalf
- Challenge insurers and their representatives, when required, regarding interpretations that limit or reduce the policy cover

This service is for property and business interruption claims estimated to be over £10,000. This replaces the previous Lorega service.

Service Requirements and Exclusions

- Excludes claims in respect of personal injury, liability, marine, aviation, motor, personal property or injury or, civil proceedings and any claim outside mainland UK other than Isle of Man and Channel Islands.
- In the event of a qualifying claim, your intention to utilise these services must be notified to us as soon as possible after the event. This however does not replace your obligations to notify

- your insurer/s of the Property/Business Interruption claim in question within any notification conditions set out in their policy or associated documentation.

POLICY CONDITIONS



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The following policy Conditions apply.

To All Sections of Aviva Combined policy:

Claims Procedures; Subjectivities; Reasonable Precautions and Maintenance of Property

- **Property Cover**

Change of Occupancy; Protections; Cooking Equipment; Premises Inspection; Unoccupied Premises, Open Sided Buildings and Buildings of Lightweight Construction - Insured Perils are reduced to Fire, Aircraft, Explosion, Riot, Malicious Damage, Impact only.

Unmanned Aircraft Insurers will not cover the unmanned aircraft Tetra UV Drone and Camera Equipment whilst in use

Open Sided Buildings and Buildings of Lightweight Construction Insured Perils are reduced to Fire, Aircraft, Explosion, Riot, Malicious Damage and Impact only

Unmanned Aircraft

Aviva will not cover the unmanned aircraft Tetra UV Drone and Camera Equipment whilst in use

- **Computer Cover**

Access and Passwords; Data Backup; Protections – Firewall, Software Updates, Virus or Similar Mechanism and protection against Theft.

Portable Equipment Unattended Vehicle Limit - The maximum insurers will pay in respect of Damage to Portable Equipment arising from theft or attempted theft from an Unattended Vehicle will be £10,000.

- **Money cover**

Medical Evidence; Money in Transit; Records and Key Security

- **Goods in Transit cover**

Reasonable Care

- **Contract Works cover**

Adjustment of Premium; Cessation of Work, Timber Frame Construction

- **Public Liability**

Communicable Diseases Exception and Grant Back Limited to £500,000

Equestrian Activities Excluded

- **Crime cover**

Audit; Bank Account Reconciliation; Cash Balances, Floats and Petty Cash; Cheque Issue; Computer Security; Debtors; Fund Transfer Controls; Money Received and Banking; Payee Account Changes; Payroll; Purchases; References; Social Engineering; Stock Control

Drone Policy

Compliance with Air Navigation and Airworthiness Orders and Country Regulations

Equine policy

Documented Risk Assessment; Rider Registration Form; Documented Horse Assessment; Staff Induction and Training; Third Party Coaches and Concessionaries

Motor Trade policy

Claims Procedures; Subjectivities; Reasonable Precautions and Maintenance of Property; Change of Occupancy; Protections; Fire Extinguishing Appliances; Unoccupied Premises; Vehicles in the

Open – Security; Pre-sale Inspection; Use of Heat; Your Duty to Prevent Damage, Additional Theft
Excess – Land Rover and Range Rover

Full wordings can be read in the policy schedules. Policy schedules should be read in conjunction with the policy wordings.

UNINSURED RISKS



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Uninsured Risks

Here we list some risks/services which we recommend you consider:

Cover	Required	
	Yes	No
Abandonment of Events A contingency which enables events organised by the college such as plays, exhibitions or fetes to insure against financial loss if the event is cancelled through circumstances.		
Contract Works in respect of larger capital projects The policy is “all risks” covering the “property” on or adjacent to the site. Policies can be arranged for specific projects or to cover all projects during the period of insurance. Policy extensions available include transit, off-site storage, removal of debris, principal’s clause and professional fees.		
Clause 6.5.1 (21.2.1) This clause is from the Standard Form of Building Contract published by the Joint Contracts Tribunal (JCT). The intention is to insure ‘non-negligent’ collapse of third party or own property not forming part of the works.		
Hired in Plant Policy to cover items hired in under CPA standard contract conditions. In the event of damage or accident policy will also pay continuing hire charges.		
Environmental Impairment Liability Provision of a wider form of pollution liability cover extending beyond your existing cover, which only includes damage arising from a “sudden and accidental occurrence taking place entirely during the policy period”. The wider coverage includes gradual pollution and can also include own site “clean up” costs and statutory clean up costs.		
Engineering Machinery, Plant and Equipment and Renewable Energy (Sudden and Unforeseen Damage) The Machinery cover provided under your existing Engineering Insurance policy provides Sudden and Unforeseen Damage to all Installed Plant or Machinery comprising the building services for which you are responsible, meaning items of Mechanical, Pressure and Electrical Building Services Plant and Machinery including: - <ul style="list-style-type: none"> Boilers and Pressure Equipment. Lifts and other lifting equipment (including escalators). 		

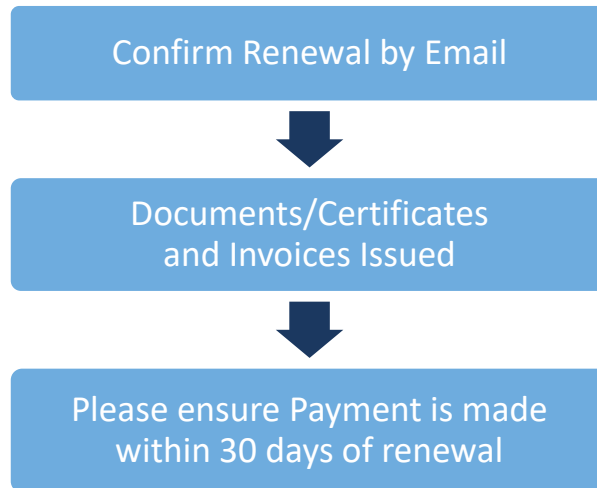
Cover	Required	
	Yes	No
<ul style="list-style-type: none"> Electrical Equipment including Air Conditioning Equipment, Fans and Motors & Pumps & LEV's. <p>Cover does not extend to specific items of plant/machinery and/or renewable energy such as:-</p> <ul style="list-style-type: none"> Electricity generating equipment not used for the sole purpose of standby to the supply of electricity at The Premises including:- <ul style="list-style-type: none"> Wind Turbines Solar PV Panels and associated equipment Battery Energy Storage Systems (BESS) Ground, Water or Air Source Heat Pumps Hydro Electric Turbines Anaerobic Digestion Machinery Biomass boiler Manufacturing machines including Lathes & CNC Machines Farm or Dairy Machinery Construction Plant (Excavators, telehandlers, dumpers and the like) Ground Maintenance / Landscaping Machinery <p>There are separate covers available under the engineering policy for Renewable Energy and other Machinery, Plant and Equipment. To enable Aviva to consider cover for additional items full details would be required. If the college feel that they may have items that fall outside of the scope of the existing policy cover and would like us to source quotes for additional items, including business interruption cover, please let us know and we can discuss this further with you.</p>		
<p>Kidnap & Ransom</p> <p>May be required for certain overseas locations.</p> <p>If travelling to the following countries / continents, you may wish to purchase Kidnap & Ransom cover:</p> <ul style="list-style-type: none"> South America Central America Middle East Africa Indonesia <p>FYI: Please find below a list of those countries currently excluded under Aviva's travel policy:</p> <ul style="list-style-type: none"> Afghanistan Colombia 		

Cover	Required	
	Yes	No
<ul style="list-style-type: none"> • Mexico • Nigeria • Philippines • Venezuela <p>For us to provide a quotation, please provide the following:</p> <ul style="list-style-type: none"> • Total number of staff & students travelling • Total number of nights • Travel itinerary • Total assets / revenue • Claims history 		
<p>Medical Malpractice / Clinical Trials</p> <p>Insures the legal liability of the Insured to pay damages out of claims for negligence brought by third parties in respect of accidental injury or illness arising out of medical malpractice.</p> <p>A non exhaustive list of such activities is noted below. If any of these, or similar medical treatment/diagnosis apply to you please let us know you as you may need a stand alone medical malpractice policy</p> <ul style="list-style-type: none"> • Diagnosis of Injury or other medical conditions • Prescription of treatment, drugs, and/or tests • Care or treatment of a patient – other than first aid • Personal medical or health care advice to individuals in their private capacity <p>NB The college's existing commercial policy, public liability section can include cover for activities of the college nurses* for administering first aid and medicines (include administering medication such as insulin injections, blood pressure tablets, asthma inhalers etc.) where they do so in the absence of a parent. This is called loco parentis cover. Cover would not extend to prescribing medicines other than available over the counter and conducting treatment that would normally be provided by a GP beyond first aid and your insurers will limit their public liability by a Care and Treatment endorsement to £5m.*</p>		
<p>Motor Breakdown</p> <p>Vehicle breakdown in the UK, Premium – This depends on what vehicles you wish to be covered.</p>		
<p>Product Recall / Contamination Product Insurance</p> <p>Covering the costs associated with a product recall, including the loss of future sales, brand, and reputation. Accidental, alleged, or malicious</p>		

Cover	Required	
	Yes	No
product contamination which could also trigger recall of a product. Please let us know if you would require a quotation.		
Terrorism & Sabotage Insurance Damage by terrorist action is excluded under your Commercial Combined policy. Buy back options are available and terms can be provided based on a variety of different options. If you wish to discuss the cover available, we would be happy to advise you and obtain some quotations for your consideration.		

Next Steps

We trust you find our findings and proposition to be of interest. Should you wish to progress and accept our proposal we detail below next steps required: -



If you have any queries, please don't hesitate to come back to us.

- Phone: 0151 601 6320
- Email: uk.formby.brokers@ajg.com
- Web: www.ajg.com/uk

EMPLOYMENT PRACTICES LIABILITY CLAIMS

NOTIFICATION REQUIREMENTS



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Guidance of Employment Practice/Tribunal Claims

We have seen a significant increase in the number of employment tribunal claims in recent years and we expect that these will continue to rise.

We have provided you with some guidance notes as to what dictates grounds for notification to the colleges insurers of a possible claim to ensure that you satisfy policy conditions around when to notify incidents.

Aviva, your Employment Practice Liability insurer, have recently updated their stance and advised that an Employment Practice Liability notification should be notified to them at the point when a decision to engage with the ACAS Conciliation service is made.

Insurers appreciate that HR departments follow their own internal policies and procedures when a grievance is raised, and for this reason only ask to be notified once that process has been exhausted, if ACAS Conciliation is then utilized to further a resolution.

Content of notification

At the point ACAS Conciliation is engaged, your notification to us should typically include the following information:

1. Full name of employee / Complainant / employee
2. Background to the issue including details of any internal investigations and outcomes, grievances, intimations of appeals and claims. Any offers made.
3. Date of awareness of the circumstances i.e., when you first became aware of the grievance
4. Period of time the investigation or allegations span
5. If applicable has the complainant requested an offer of redress
6. Your views on why you consider the set of facts might give rise to a claim
7. Next steps to be taken (if any)

These details should be emailed to your Claims Handler at Gallagher and include the details of the most appropriate contact at the college.

TERMS OF BUSINESS AGREEMENT

Arthur J. Gallagher Insurance Brokers Limited



Gallagher

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Scope and application

This agreement, together with any separate written agreement between you and Arthur J. Gallagher Insurance Brokers Limited (“AJGIBL”), sets out the terms on which we agree to act for you when we are instructed to provide services by you.

In this agreement “we”, “us” and “our” means AJGIBL. References to “insurers” include insurers, underwriters, managing agents or, where applicable, reinsurers with whom we place business. As appropriate, references to “insurance” or “insured” include reinsurance and reinsured respectively. Additionally, any reference to “policy” shall mean an insurance or reinsurance policy, as appropriate.

It is important that you read this agreement carefully as it contains details of our statutory and regulatory responsibilities and your contractual obligations, on which we intend to rely.

If there is anything you do not understand in this agreement you should inform us otherwise we will assume you are providing your informed consent to this agreement.

We specifically draw your attention to the following sections:

- (a) What do we do?
- (b) How are we paid for our services?
- (c) How do we handle your money?
- (d) Your obligations
- (e) Conflicts of interest
- (f) Complaints
- (g) Limitation of Liability

Where your business is operated through an incorporated company, trust, limited liability partnership or partnership, we are entitled to assume that the recipient of this agreement has obtained authorisation or is entitled to consent to these terms on your behalf.

If you are a company or other body corporate, unless otherwise expressly stated in any separate written agreement between you and AJGIBL, you agree to and accept the terms of this agreement on your own behalf and on behalf of each of your group companies (where those group companies are receiving the benefit of our services). You will ensure that each of your group companies will act on the basis that it is a party to and bound by the agreement. All references in this agreement to “you” and “your” mean you and each of your group companies.

If you have instructed another insurance broker to deal with us on your behalf, we will assume unless told otherwise that the broker has full authority to agree the terms of this agreement with us and to deal with us on your behalf as your agent in relation to all matters covered by this agreement.

This agreement replaces any terms of business agreement that we may have previously agreed with you. If you have a separate service level agreement in place with us then the terms of that agreement must be read together with this agreement. In the event of a conflict, the terms of your service level agreement will take precedence over this agreement.

We may change the terms of this agreement from time to time. This may be:

- a) to reflect changes in our services or in market practice
- b) to reflect legal or regulatory developments, or
- c) to improve the clarity of this agreement.

We will tell you if we have materially changed these terms for any of these reasons and, in any event we will inform you of such changes before your policy is due to renew.

We may also change the terms of this agreement for other reasons, but if we do, we will notify you in advance and you will have the right to terminate this agreement within 30 days of such notification.

Who are we?

AJGIBL is a company incorporated and registered in Scotland with company number SC108909 whose registered office is at Spectrum Building, 7th Floor, 55 Blythswood Street, Glasgow, G2 7AT. You can find out more about us at www.ajg.com/uk/.

We are an insurance intermediary, risk management and consulting firm authorised and regulated by the Financial Conduct Authority (“FCA”). Our FCA firm reference number is 311786. We are permitted by the FCA to act as a general insurance intermediary, to arrange credit and collect payments. You can check these details by visiting the FCA’s website (www.fca.org.uk/register) or by contacting the FCA on 0800 111 6768 (+44 20 7066 1000 from overseas).

What do we do?

As an insurance intermediary, we usually act for you. We offer access to general insurance products and services provided by a wide range of UK and international insurers, including Lloyd's.

Our services include advising you on your insurance needs, arranging insurance policies with insurers in order to meet those needs, provide associated risk management services and any other insurance related services. We will also help you to make changes to your insurance policy if required and will remind you when your policy is due for renewal as appropriate. Unless your policy states otherwise, or we agree, we will provide you with assistance in submitting a claim and with obtaining reimbursement from insurers.

In certain circumstances, we may act for your insurer, for example, where we have delegated underwriting authority and/or claims settlement authority, or where we have entered into a managing general agency agreement with one or more insurers. In cases where we are acting on behalf of the insurer, we will be acting as their agent. Please see the section headed Conflicts of Interest for more information about how we manage these arrangements.

We cannot arrange insurance for you until we have received complete instructions from you. Your insurance cover is not in place until we have confirmed it to you in writing or we have issued evidence of cover. Where we receive your instruction or a firm order after normal office hours, placement of your insurance will be subject to further confirmation by us as soon as reasonably possible the following business day.

We do not offer advice in relation to tax, accounting, regulatory or legal matters (including sanctions) and you should take separate advice as you consider necessary regarding such matters.

Additionally, when we are appointed to service insurance policies other than at their inception or renewal and which were originally arranged via another party, we shall not be liable during the current insurance period for any loss arising from any errors or omissions or gaps in your insurance cover or advice not supplied by us. Should you have any concerns in respect of a policy, which has been transferred to us, or if you require an immediate review of your insurance arrangements, you must notify us immediately. Otherwise we shall review your insurance arrangements and advise accordingly as each policy falls due for renewal.

Which insurers do we use?

In finding an insurance solution that meets your demands and needs, we may either conduct a market analysis of potential insurers, or we may only consider a specific product from a single insurer, or products from a panel of insurers. In certain circumstances we may act for insurers, or use services of other of our group companies – please see the “Conflicts of Interest” section.

We use publicly available information, including information produced by credit rating agencies, to identify insurers with whom we will consider placing your business. We do not guarantee the financial status of any insurer. You may require us to use an insurer that we would not ordinarily recommend due to their credit rating. In the event of an insurer experiencing financial difficulties, you may still have a liability to pay any outstanding premium and we are not responsible for any shortfall in amounts due to you in respect of any claims.

We are available to discuss with you any concerns you have with the insurer you have chosen for your insurance policy(ies).

How are we paid for our services?

Payment in respect a service that we provide to you in respect of any single contract of insurance may be made up of one or more of the following:

- a) a fee paid by you; details of this, or the basis of calculation, will be declared to you in advance of this being incurred;
- b) brokerage/commission, which is a percentage of the total annual insurance premium paid by you and given to us by the insurers with whom we place your business; and
- c) administration charges, in addition to any insurance premiums and / or fees, for administration of your policy, including amending and cancelling any policy: these apply on most placements (even where a) and / or b) apply), and details of these charges, will be provided to you in advance of them being incurred.

Please note that where we have not agreed a fee (a) payable by you in respect of any contract of insurance, our remuneration will be by way of commission (b). There may be instances where

we have agreed a fee (a) with you, and for subsequent, additional policies, we also earn a commission. In these cases, and upon request, we will explain which remuneration applies to each policy.

If we charge you a fee (a) in relation to any contract of insurance, and either also receive commission payments in respect of that contract of insurance, or will do so in relation to any subsequent contracts, then we will inform you of that fact prior to the fee being incurred.

Please note that for commission (b), we do not intend to earn commission from the taxation element of any insurance premium tax.

We may receive additional payments such as a profit share or profit commission from insurers, for instance, payable under a delegated underwriting authority or other facility or individual contract in recognition of overall profitability. We may also earn income from insurers or other sources in other ways. For example, we may receive income from insurers for ancillary services provided solely on their behalf. Upon request, we will be pleased to provide details of any income we are due or have received as a result of placing your business.

Unless we specifically agree otherwise, brokerage / commission and fees are earned when we arrange an insurance policy for you, or in the case of any other service when we commence providing that service to you.

However in respect of any payment made to us this will only be recognised as payment for the service when we have reconciled your payment. We will be entitled to retain all fees and brokerage in respect of the full period of contract(s) of insurance arranged by us including in circumstances where your policy has been terminated and your insurers have returned pro-rated net premium. Consistent with long established market practice, we will deduct our brokerage and other commissions from the premium once received.

If you decide to terminate our appointment in relation to policies we have placed on your behalf and where, (i) the policy or policies have not expired, and (ii) premium is due on the policy or those policies, we are entitled to any brokerage/commission originally due on the policy or policies and you will ensure the broker subsequently appointed to administrate the policy or policies agrees and accepts to collect the brokerage/commission and remit to us in good time.

How do we maintain your privacy?

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.aiq.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.

Confidential information

During the course of this agreement we shall both provide the other with information (other than personal information) and each party will treat information received from the other relating to this Agreement as confidential and will not disclose it to any other person not entitled to receive such information except as may be necessary to fulfil their respective obligations in relation to this agreement and except as may be required by applicable law or regulatory authority. For the avoidance of doubt, and always observing the requirement to ensure your information is held in a confidential manner, we shall be entitled to disclose such information relating to you (where necessary) to perform our obligations under this agreement, to insurers or reinsurers, actuaries, auditors, professional agents, advisers or other parties that we may require in order to provide our service to you. This section will not apply to information which was rightfully in the possession of a party prior to this agreement or which is already public knowledge/ becomes so at a future date (otherwise than as a result of a breach of this section) or which is trivial or obvious.

How do we handle your money?

In our role as an intermediary between you and your insurers we may hold money:

- paid by you to be passed on to insurers
- paid to us by your insurers, to be passed on to you
- paid by you to us for our services, but which we have not yet reconciled.

For your protection, the way that we handle your money is designed to protect your interests in the event of our financial failure.

We may take payment from you when your policy next renews using payment card information you have shared with us and which we will retain. If we intend to do this, we will confirm this to you in your renewal invitation prior to your next policy renewal. You may opt-out of automatic renewal at any time by contacting us.

Insurer Money (money we hold as agent of an insurer):

Where we have an agreement with your insurer to hold money as their agent, any premiums you pay to us are treated as having been received by the

insurer as soon as they are received by us. Claims payments and/or premium refunds are treated as received by you when they are actually paid to you.

Where we receive monies as agent of your insurer, we can only deal with that money in accordance with the instructions of the insurer. This means that, for example, if you want us to return such monies to you, we can only do so with the agreement of the insurer.

Client Money (money we hold as your agent):

Where we do not have an agreement with your insurer to hold money as their agent, we will hold premiums you pay to us as your agent. Money we receive from your insurer which is payable to you will be your property whilst we hold it.

We may also hold money as your agent where you have paid this to us in respect of our fee for a service, until such time as we have reconciled the payment against the relevant service.

Money we hold as your agent is referred to as "Client Money".

FCA rules require us to keep Client Money separate from our own money. We hold Client Money with an approved bank, segregated in a client account subject to a Non-Statutory Trust ("NST"). The aim of the NST is to protect you in the event of our financial failure. If such an account is held outside the United Kingdom, it may be subject to different laws and regulations, which may mean that the Client Money held in that account is not protected to the same extent as it would be if it were held in the United Kingdom, or at all. Please tell us if you do not wish us to hold any money for you in a particular jurisdiction.

We may use Client Money held in the NST on behalf of one client ("Client A") to pay another client's premium ("Client B") before we receive such premium from Client B. We may also make claims payments/ premium refunds to other clients before monies are received from the insurer. Although there may be occasions when we do this, it is not our policy to routinely cross-fund in this way. For the avoidance of doubt, we may not use Client Money to pay ourselves commissions before we receive the relevant premium from you.

We may invest Client Money held in the NST in accordance with FCA rules relating to Client Money. If we do invest money in this way, we will be responsible for meeting any shortfall in the value of the investments at the time of their realisation. Any interest or profits earned on Client Money held by us will be retained by us for our own use, rather than paid to you.

Holding both insurer and Client Money:

We may hold both insurer and Client Money together in the NST. When this happens, your interests as our client will continue to be protected.

Payment to third parties:

We may transfer Client Money to another person, such as another broker or settlement agent, for the purpose of carrying out a transaction on your behalf through that person. This may include brokers and settlement agents outside the UK. The legal and regulatory regime applying to a broker or settlement agent outside the UK may be different from that of the UK. This means that, in the event of a failure of the broker or settlement agent, this money may be treated in a different manner from that which would apply if the money were held by a broker or settlement agent in the UK. You may notify us if you do not wish us to pass your money to a person in a particular jurisdiction.

We may also transfer Client Money to a professional services firm such as a loss adjuster, surveyor or valuer unless you instruct us otherwise.

Financial Services Compensation Scheme

We are covered by the Financial Services Compensation Scheme ("FSCS"). You may be entitled to compensation from the FSCS if we cannot meet our financial obligations to you. This depends on the type of insurance contract that we have arranged for you, certain eligibility criteria and

Further details regarding the FSCS are available online at www.fscs.org.uk or by calling 0800 678 1100 (+44 20 7741 4100 from overseas).

Separately, your insurer and/or you may be covered by a different compensation scheme.

Your obligations

You will not instruct us to provide services which would cause us, nor use our services in any way, to violate applicable laws including without limitation bribery anti-corruption, money laundering sanctions, or data protection laws.

You are required to make a fair presentation of the risk to an insurer which discloses every material circumstance which you know or ought to know relating to the risk to be insured. This includes information known by your senior management and those responsible for arranging your insurance as well as information which would reasonably have been revealed by a reasonable search of information available to you.

A circumstance is material if it would influence the judgment of a prudent insurer in determining whether to provide insurance for the risk and, if so, on what terms. Disclosure must be reasonably clear and accessible to a prudent insurer. Material representations of fact must be substantially correct and material representations of expectation/belief must be made in good faith. Failure to comply with the duty of fair presentation could mean that your policy of insurance is void or that insurers are not liable to pay all or part of your claim(s).

The above duty of disclosure is the applicable duty under the laws of England, Wales, Scotland and Northern Ireland. You may have different obligations if your policy of insurance is subject to a different law. As a minimum, we expect you to disclose your information in accordance with the duty set out above.

For certain types of insurance covers you may be required to complete and sign a proposal form or questionnaire. Take care to ensure that the information you provide is complete and accurate. Note that if you are aware of anything that you feel may be material to the proposed policy of insurance you should disclose it, even if there

does not appear to be a question on the proposal form or questionnaire that covers the particular point. If you are in any doubt as to whether information is material, you should disclose it.

Anti-bribery, corruption and financial crime

You agree that you will ensure that at all times you comply with all laws, statutes and regulations that apply to you relating to anti-bribery and corruption, including the UK Bribery Act 2010 and (if it applies to you or any of your group companies) the US Foreign and Corrupt Practices Act 1977. Accordingly, if you accept gifts or hospitality offered to you by us or any of our group companies, we will deem the acceptance to be in accordance with any gifts & hospitality policy/ies you may have.

Please be aware that we are required to obtain adequate "Know Your Client" information about you. In order to prevent bribery, corruption, fraud or other financial crime, we may take further steps, including notification to the relevant authorities, carrying out status and credit checks using credit reference agencies, and other screening background checking as appropriate.

Policies may include clauses on financial and trade sanctions, anti-money laundering and export controls ("Sanctions"). How you comply with Sanctions is specific to your business: you should take legal advice where necessary and pay special attention to relevant policy clauses.

To comply with financial crime or Sanctions requirements, we may be prohibited from providing broking or risk consulting services, including placement and claims handling services; may be required to take actions such as freezing the funds in which parties subject to Sanctions have an interest; or may make regulatory notifications or licence applications as required or appropriate in accordance with Sanctions. Your insurers and other third parties we deal with, such as financial institutions, may also apply their own policies or restrictions.

You acknowledge and agree that we reserve the right to take steps to comply with financial crime or Sanctions (and we will not be liable to you for this or for similar steps taken by third parties).

You should advise us of all of the countries connected to the (re)insurance you require. We reserve the right not to perform obligations under this agreement to the extent that this would be contrary to our commercial risk appetite or where performance would be impracticable including because of bank policies restricting the processing of premiums, claims funds or fees related to such countries or related parties.

Please be aware that we are generally restricted from providing broking, claims handling or other services that relate to Cuba and Iran - including because of significant difficulties in processing payments and other commercial and reputational considerations.

Your premium payment obligations

Insurers require you to pay premium at or before the start date of each policy, or as otherwise specified under the policy terms. You must pay all monies due in cleared funds in accordance with the amounts and on or before the dates specified in our invoice(s). If you do not make payment within that period, insurers may cancel your policy and may also require that you pay a premium in relation to the time that you have been on risk. It is therefore very important that you meet all payment dates.

Where you have instructed us to obtain insurance on your behalf, to the extent that we are required to meet your premium payment obligations, we reserve the right to recover those monies from you.

Use of Premium Finance Companies:

You may be able to pay premium payments by instalments through a credit scheme operated by a third party premium finance company or insurer. Please note that we can only pay premium to insurers on your behalf once we have cleared funds from you or the premium finance company.

Please note that we do not recommend any particular credit provider. If you wish to pay premium by instalments, we are able to introduce you to credit providers (which may include a third party premium finance company or an insurer). There may be other credit providers (including insurers) able to offer better credit terms than those that made available to you by a party we have introduced you to.

Where you decide to enter into a credit scheme for the payment of premium, you will receive separate terms and conditions from the relevant premium finance company or insurer which will govern that arrangement. You agree that, in accordance with the terms of any such credit scheme or otherwise, we may instruct your insurer to cancel your policy if you are in default under the credit scheme and that any return premium or other payment due from the insurer may be applied to discharge your liability or liability we have assumed on your behalf, under the credit scheme without further reference to you.

Your policy documents

You will receive written terms and conditions of any insurance policy we arrange for you. Please check these documents and advise us as soon as reasonably practicable if the terms of the cover arranged are not in accordance with your requirements. Please pay special attention to the claims notification provisions and to any warranties and conditions (including as to the payment of premium) as any failure to comply with these terms may invalidate your cover.

The documents relating to your insurance will confirm the basis of the cover from the relevant insurer(s) and provide their details and if applicable, the insurer's agent. It is therefore important that you keep all of your policy documents in a safe place. It is our current practice to retain client information for at least six years or such other period required under relevant law or regulations.

Making a claim

Your insurance policy will usually require you to notify all claims and/or circumstances that may give rise to a claim as soon as possible. If you are unsure whether a matter needs to be notified please contact us and we will endeavour to assist you.

Where we have agreed to handle claims on your behalf, we will do so fairly and promptly. If we receive claims payments for you, we will remit them to you as soon as reasonably practicable after receipt.

As part of paying your claim, your insurer may require us to deduct the value of sums due (such as premiums or instalments under a credit scheme) before sending the balance of any claims payment to you.

We reserve the right to charge an additional or separate fee (based on the nature of the work and duration and agreed with you in advance) to negotiate a large or complex claim on your behalf.

Conflicts of interest

Circumstances may arise where we have a conflict of interest between us (including our managers, employees or agents) or another of our group companies and you, or between you and another of our clients. We always aim to treat you fairly and avoid conflicts of interest. We never deliberately put ourselves in a position where our interests, or our duty to another party, prevent us from discharging our duty to you.

We may arrange insurance for you through another company in the Arthur J. Gallagher group which acts on behalf of one or more insurers. An example may include a placement with a separate underwriting team within Arthur J. Gallagher Insurance Brokers Limited, Pen Underwriting Limited or Arthur J. Gallagher UK Limited.

In arranging an insurance solution that meets your demands and needs, we will ensure that our duty to you does not conflict with the duties that an Arthur J. Gallagher group company owes to the insurers that it represents.

We may act as agent of an insurer under a delegated underwriting authority and/or delegated claims settlement authority. In these instances, where we act as your agent for your insurance needs we will always act in your best interests when arranging your policy.

We follow our own conflict management policies and procedures (for example, using information barriers). These are designed to prevent any conflicts of interest adversely affecting or compromising your interests. However, in some cases, where we cannot be reasonably confident that we can prevent the risk of damage to your interests, we will discuss this with you. If you have any concerns in relation to conflicts of interests, please contact us.

Complaints

We value our relationship with you and we welcome feedback on the service you receive from us. Please tell us if you are dissatisfied with part of our service so that we can improve our products or services. Our aim is that you should benefit from a high quality service using our experience and breadth of insurance broking expertise. We always try to provide a high standard of service but if you ever have cause to complain, please do so by contacting your usual AJG representative by whatever means is convenient to you.

If you wish to deal with someone wholly independent of the branch or division that has been servicing your business, please contact:

Address: Complaints Management Team
7th Floor Spectrum Building
55 Blythswood Street
Glasgow G2 7AT

Email: commercialcomplaintsuk@ajg.com

We will acknowledge written complaints promptly. Our complaints procedure is available on request.

If you feel that we have not been able to resolve the matter to your satisfaction, after this process you may have the right (subject to eligibility) to refer your complaint to the Financial Ombudsman Service; this address is:

The Financial Ombudsman Service
Exchange Tower
London E14 9SR
Telephone: 0800 0234 567 (from landline)
Telephone: 0300 123 9 123 (from mobile)

Email: complaint.info@financial-ombudsman.org.uk

Website: <http://www.financial-ombudsman.org.uk>

Whether or not you make a complaint to us and/or refer your complaint to the Financial Ombudsman Service, your right to take legal action will not be affected.

Other territories

Other territories may also offer complaints and dispute resolution arrangements that we are required to follow where we are held to be doing business there.

Right of set-off

If you are a business, we may at any time, without notice to you, set off any liability of yours to us (including, without limitation, payment liability) against any liability of us to you, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this agreement.

If the liabilities to be set off are expressed in different currencies, we may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by us of our rights under this clause will not limit or affect any other rights or remedies available to us under this agreement or otherwise.

Intellectual property rights

We (or our licensors) will retain all ownership, title, copyright and other intellectual property rights in all materials developed, designed or created by us before or during the provision of services to you including systems, methodologies, software, know-how and working papers. We will also retain all ownership, title, copyright and other intellectual property rights in all reports, written advice or other materials provided by us to you. We grant you a royalty - free licence to use those materials, but only for the purposes for which they were created under this agreement and only for as long as this agreement remains in force.

Termination

Without prejudice to any rights that have accrued under this agreement or any other rights or remedies, either party may terminate the services contemplated under this agreement by giving not less than 30 days' notice in writing to the other.

If our appointment as your broker is terminated or not renewed, we reserve the right to charge an additional or separate fee, agreed with you in advance, for any ongoing services performed from the date on which our appointment terminates. The terms of this agreement will continue to apply in relation to those ongoing services.

Notwithstanding anything else contained in this agreement, we are not required to act for you, or to continue to act for you, if we reasonably consider that to do so would put us in breach of, or would expose us or our affiliates to fines, penalties or sanctions under, any laws, regulations or professional rules. In such circumstances, we will be entitled to terminate our existing relationship with you with immediate effect and will not be responsible or liable to you for any direct or indirect loss which you or any other party may suffer as a result.

Cancellation of your policy

Your insurance contract may include a cancellation clause. For more details, please refer to your insurer's policy documents. If you wish to cancel a policy please let us know. If your policy is cancelled, the insurer will determine any return premium in relation to policies placed by us.

Please see the section above "How are we paid for our services?" in relation to our rights to payment of brokerage/commission and fees in the event of policy termination.

Currency conversion

We may have to convert funds to another currency in order to settle amounts due to insurers. If a repayment of funds is due to you or is requested by you after the currency is converted, then any such payment will be made in the currency to which the funds have been converted. Any shortfall arising from exchange differences remains your liability. If you pay a premium in a different currency or to a bank account in a different currency from that requested, we may, at our discretion, either return the funds to you or convert the money to the required currency. In the latter case, the converted funds will be applied against the amount due with any shortfall arising from exchange differences remaining your liability.

Severability

The invalidity, illegality or unenforceability of any of the provisions of this agreement will not affect the validity, legality or enforceability of the remaining provisions in this agreement.

Notices

If notice is given to us under or in connection with this agreement, except as expressly provided in this agreement, it must be in writing and sent to our registered address. We are entitled to give you a notice under or in connection with this agreement at your registered address (if a company or limited liability partnership) or at your last known address (in any other case).

Third party rights

A person who is not party to this agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term contained in this agreement.

Circumstances outside of the parties' control

Neither party will be in breach of this agreement nor liable for delay in performing, or failure to perform, any of its obligations under this agreement if such delay or failure results from events, circumstances or causes beyond its reasonable control. In that event, the affected party will notify the other as soon as reasonably practicable.

Transfer of this agreement

Neither party can transfer their rights nor obligations under this agreement in whole or in part to anyone else, except that:

- a) we may transfer all or some of our rights and/or obligations to one or more other members of the Arthur J Gallagher group of companies; and
- b) either party may transfer all or some of our rights and/or obligations to someone else with the prior written consent of the other party, such consent not to be unreasonably withheld or delayed.

Governing law and jurisdiction

The law of England and Wales will apply to this agreement.

The parties irrevocably agree that the courts of England and Wales will have the necessary and exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this agreement or its subject matter.

Limitation of Liability

This section shall apply to all services which we provide to you pursuant to this agreement. If we or any of our group companies are liable to you in respect of any losses, liabilities, damages, costs, expenses or claims arising out of or in connection with the services (collectively "Losses") and (subject to the following paragraph) any other person is liable to you in respect of some or all of the same Losses (on any basis), our liability and that of our group companies in respect of such Losses shall be limited so as to be proportionate to the relative contribution of ourselves and our group companies having regard to the extent of responsibility of such other person for those Losses.

In determining the existence and extent of the responsibility of such other person for Losses for the purposes of the preceding paragraph, no account should be taken of any agreement limiting the amount of damages payable by such person or of any actual or possible shortfall in recovery of this amount (whether this is due to settling or limiting claims, or any other reason).

To the extent permissible under applicable laws, regulations or rules, the aggregate liability of ourselves and our group companies to you and your group companies in respect of all Losses however caused, including arising as a result of breach of contract or statutory duty, negligence or any other act or omission or breach of duty shall be limited to £10 million (ten million pounds), or such other amount in US \$ or any other currency that is specifically agreed with you in writing.

Notwithstanding the preceding paragraph, we and our group companies shall not be liable to you and your group companies, whether as a result of breach of contract or statutory duty, negligence or any other act or omission or breach of duty, for any loss of profit or any special, indirect or consequential Losses arising under or in connection with the services provided.

You agree that we and our group companies have a legitimate interest in limiting the exposure of our and our group companies' directors, officers and employees to litigation and that you will not bring or assist in bringing any claim against any of our or our group companies' directors, officers or employees in their personal capacity arising out of or in connection with the services provided.

The limitations of liability and exclusions contained in this section shall not apply to:

- any Losses or liabilities arising as a result of (a) fraud, wilful default or gross negligence by us or any of our group companies; or (b) death or personal injury, in each case in jurisdictions where such limitations or exclusions would not be permitted under applicable laws, regulations or rules; or
- any of our (or our group companies') Losses or liabilities to the extent that the limitation or exclusion of such Losses or liabilities would not otherwise be permissible under applicable laws, regulations or rules.

For the avoidance of doubt this section shall be for the benefit of ourselves and our group companies and any of our or their respective directors, officers, employees or consultants involved in the provision of the services. Any such person shall be entitled to rely upon and enforce its terms.



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