

## **TERMS OF BUSINESS AND STATUS DISCLOSURE GOVERNING THE SCOTTISH WOODLANDS LTD GROWING TIMBER INSURANCE SCHEME**

Please read this document carefully. It sets out the terms on which we agree to act for our clients and contains details of our regulatory and statutory responsibilities. Please contact us immediately if there is anything in this document which you do not understand, or with which you disagree.

### **About Scottish Woodlands Ltd**

Scottish Woodlands Ltd, registered in Scotland (101787) and whose Registered Office address is Research Park, Riccarton, Currie, Midlothian, EH14 4AP, is an all-services Forestry Management Company which also offers a single non-investment insurance product. We are authorised and regulated by the Financial Conduct Authority (FCA) which is the independent watchdog that regulates financial services. Our FCA Reference Number is 311867.

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

These details can be checked on the FCA's Register by visiting the FCA's website [www.fca.org.uk/](http://www.fca.org.uk/) or by contacting the FCA on 0800 111 6768

Our services include Woodland Insurance Review and Advice and Related Services.

### **Ownership**

Scottish Woodlands Limited is the only trading subsidiary of SWL Limited which is owned 80% by the employees of Scottish Woodlands Limited and 20% by an investor shareholder – James Jones and Sons Limited, Larbert, Sawmillers.

Scottish Woodlands Ltd has no direct, or indirect, holding in any insurer and no insurer has any direct, or indirect, holding in Scottish Woodlands Ltd.

### **Customer Classification**

The FCA classifies customers as follows:

A **Consumer** is any natural person who is acting for purposes which are outside their trade or profession, that is, arranging mainly personal insurances.

A **Commercial** customer is one who is not a Consumer, that is, one who is effecting insurance to protect a business.

These classifications impact on how certain aspects of FCA regulation affect your position and they are highlighted within these Terms of Business.

### **Level of Service and Product Offered**

Should you instruct us to proceed and place this Growing Timber insurance, we have a "delegated authority" granted by the insurers which means that we act as agent of the insurer and have authority to accept insurance risks and issue documentation (in accordance with agreed terms) on their behalf. This authority has been delegated via Central Insurance Services Ltd. We can only place your business under a delegated authority where we reasonably consider that this meets your insurance requirements.

Before your insurance contract is concluded, you will be provided with a statement setting out your demands and needs (requirements), which will confirm whether we have made a personal recommendation and, if so, explaining the reasons for our recommendation. This statement may be incorporated within other insurance documentation. If you request it, or if you require immediate insurance cover, we will give you this information orally but, in any event, we will still provide you with the statement immediately after conclusion of the insurance contract.

Unless otherwise agreed, any quotation given will remain valid for a period of thirty (30) days from the date of issue of the quotation.

### **Insurer Solvency**

We use all reasonable care to protect your interests and monitor the security of the insurers with which we transact business, utilising information available in the public domain.

However, we are unable to guarantee the continuing solvency of any company and do not accept liability for any losses arising or any additional costs in replacing the insurance with an alternative insurer.

### Your Duty to Disclose Material Information

It is important that you understand that any information, statements or answers made by you to your insurer or us are your responsibility and must be correct. Your attention is particularly drawn to the importance of the declaration and signature on any Proposal Forms as any failure to disclose facts material to the insurance or any inaccuracies in your answers may invalidate your insurance cover in part or in whole. Facts material to the insurance are matters or information which may influence your Insurer as to the acceptability or otherwise of your Proposal or Renewal (for example, a conviction or claims history) and must be disclosed not only at commencement and renewal of your policy, but also at any time during the period of insurance. You are advised to keep copies of documentation sent to or received from us for your own protection. Please consult us if you are in doubt on any aspect.

If you are not taking this insurance as a **Consumer** you must disclose all information that you know, or ought to know after a reasonable search, that is material to the risk, completely and accurately in a clear and accessible manner and not make any misrepresentations.

Failure to disclose or misrepresenting may result in refusal to pay the claim, reduced claim payments, additional policy terms or even treatment of the policy as if it never existed.

### Adequacy of Sums Insured and Limits

At all times it is the responsibility of you, the Insured, to ensure that insured values and policy limits are adequate and property sums insured properly reflect current reinstatement / replacement costs. Whilst we may seek to assist in establishing and maintaining insured values we cannot accept responsibility for their accuracy.

### Fair Treatment

We aim to treat you fairly at all times by ensuring that we provide you with insurance products, services and advice that are suitable and meet your needs and expectations.

We will conduct our business with integrity, due skill, care and diligence and communicate information to you that is clear, fair and not misleading.

### Conflicts of Interest

We act pursuant to the delegated authorities explained under Level of Service and Product Offered above, but occasions can arise where we, or one of our other customers, will have some form of interest in business that we are transacting for you. If this happens, or we become aware that our interest or that of one of our customers conflicts with your interest, we will inform you and obtain your consent before we carry out your instructions.

Our involvement in the claims process is limited to the reporting of any incidents or claims to the insurer and, in some cases, assistance with the mapping, measurement and production of the claim intimation. We do not have any claims settlement rights to ensure no conflict arises from Scottish Woodland's involvement with other contracts for our client.

### Remuneration

The remuneration we receive for our services is in the form of commission, which is a percentage of the insurance premium paid by you and allowed by the insurer with whom the insurance is placed. We remind Commercial customers of their right to request information regarding any commission or any other income which we may receive resulting from placing their insurance business, before conclusion of each insurance contract or upon renewal.

There may be occasions where we will charge you a fee for advice or services in addition to any insurance premiums. Where this is the case, we will fully explain the basis of our charging and agree with you what the fee is for and when the fee is payable before charging that fee. Any other fees relating to any particular insurance policy will be included in the quotation you receive.

These arrangements do not affect the recommendations we make to you which remain wholly based on your demands and needs (requirements).

### Premium Payment

Premiums must be paid in full in cleared funds prior to the inception date of the policy or by the due date in respect of renewal. Claims will not be accepted for incidents occurring when the premium has not been paid. We remind customers when premiums have not been received. Where a premium remains unpaid after 31 days, the policy will be declared void and inoperative and this will be confirmed in writing to the customer.

Where insurers have specified that the premium must be received by a certain date by application of a Premium Payment Condition or Warranty and we have advised you of this, failure to comply may entitle them to cancel cover from inception.

### Handling Money

We act pursuant to the delegated authorities explained under Level of Service and Product Offered above in collecting premiums and handling refunds due to clients as well as the transfer of claims monies. In these circumstances such monies are deemed to be held by the Insurer with which your insurance is arranged by way of a risk transfer arrangement. Such monies will be held by us in a designated account set up specifically for the Growing Timber Insurance scheme. Interest earned on monies held in this account will be retained by us.

### Payments to Third Parties

We may transfer Client Money to another person, such as another broker or settlement agent, for the purpose of effecting a transaction on your behalf.

### Renewal and Cancellation of Insurance

We will provide you with notice of renewal of your policy, in good time ahead of the renewal date.

You should make any cancellation request in writing and return to us any relevant Schedule of Insurance. The terms of the policy may permit the insurers to retain the premium in full or to charge short period premiums in the event of cancellation before the policy expires.

### Cooling Off Period

Consumers are allowed to change their mind and to cancel an insurance contract within a period of 14 days from the date of receipt by them of the policy documentation. This process is described in the Policy Documents.

### Retention of Documents

We reserve the right to retain a Schedule of Insurance and other policy documents until all payments due under the policy have been made in accordance with our invoice or statement. By accepting this agreement, you agree that delivery of any Schedule of Insurance to us shall constitute delivery to yourself in accordance with legal requirements. Should we withhold any documents, we will ensure that you are provided with full details of your insurance cover.

### Claims

If you have occasion to claim or an incident arises that may give rise to a claim on your policy, you must advise us immediately so that we can ensure that your claim is passed to the insurer promptly. We will advise you of the actions required to progress your claim. If we cannot deal with the notification, we will advise you accordingly. You should not admit liability nor agree to any course of action, other than emergency measures carried out to minimise the loss, until you have agreement from the Insurer.

In the event of the insolvency of an Insurer or delays making settlement, we will not accept liability for any unpaid sums.

### Use of Personal Data

We will process any personal information we obtain in the course of providing our services to you, in accordance with the Data Protection Act 1998. In administering your insurances, it will be necessary for us to pass such information to Insurers and other product or service providers which may also provide us with business and compliance support. We may also disclose details to relevant parties, as necessary, to comply with regulatory or legal requirements.

The Insurers of our Growing Timber scheme may contact you in order to promote products or services which may be of interest to you. We will not otherwise use or disclose the personal information we hold without your consent. If you do not wish to be contacted by the Insurers of the scheme please contact us by email or in writing.

We will keep records of all our business transactions for a minimum period of three years. We treat all our clients' records as confidential even when they are no longer a client. We cannot be held responsible for incorrect data held in the event of non-disclosure.

If at any time you wish us to cease processing any of the personal or sensitive data we hold, or to cease contacting you about products and services, please write to the Data Protection Officer at Scottish Woodlands Ltd, Research Park, Riccarton, Currie, Midlothian, EH14 4AP.

Should you require clarification of your rights under the Data Protection Act visit [www.ico.org.uk](http://www.ico.org.uk) or telephone 0303 123 1113.

### Complaints and the Financial Services Compensation Scheme (FSCS)

We will endeavor to act fairly and reasonably at all times and provide you with a professional service. Should you have any complaints about the service provided, please contact us in writing to The Technical Director, Scottish Woodlands Ltd, Research Park, Riccarton, Currie, Midlothian, EH14 4AP, or telephone us on 0131 451 5154. When dealing with your complaint, we will follow our complaint handling procedure; a summary of this procedure is available on request. If you are still not satisfied, you may be entitled to refer the matter to the Financial Ombudsman Service (FOS) to which we subscribe. Contact details for the FOS can be found at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk) or by calling 0800 023 4567.

The FOS is available to Consumer customers and micro enterprises (an enterprise employing fewer than 10 persons that has a turnover or annual balance sheet that does not exceed 2 million Euros), a charity which has an annual income of less than GBP1,000,000 or a trustee of a trust which has a net asset value of less than GBP1,000,000.

We are covered by the Financial Services Compensation Scheme (FSCS) and you may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. If you are eligible to claim from the FSCS, compensation is available as follows:

- Insurance advising and arranging is covered up to 90% of the claim with no upper limit
- For Compulsory Classes of Insurance (such as Third Party Motor or Employers Liability) insurance advising and arranging is covered for 100% of the claim without any upper limit

Full details and further information on the scheme are available from the FSCS at [www.fscs.org.uk](http://www.fscs.org.uk) or by telephone on 0800 678 1100.

### Financial Crime and Sanctions

We are obliged to take reasonable steps to safeguard our company and our clients against the risk of Financial Crime. In order to achieve this, we may ask you to provide us with additional information, to help establish proof of identity or legitimacy of any insurance transactions you ask us to undertake on your behalf. We will generally not agree to make payments to unknown third parties where we have had no direct dealings or knowledge of an involvement on your account.

Any insurance transaction to or from a country subject to any form of Sanction may be prohibited or subject to restrictions.

Under UK Money Laundering regulations, we are obliged to report to the National Crime Agency any evidence or suspicion of financial crime at the first opportunity and we are prohibited from disclosing any such report.

### Policy Documents

Policy documents will be issued to you as quickly as possible. When a policy is issued you are strongly advised to read it carefully as it is this document, the Growing Timber Schedule and any Schedule of insurance which forms the basis of the insurance contract you have purchased. Particular attention should be paid to any policy conditions, exclusions, warranties and claims provisions as failure to comply may invalidate your cover. If you are in doubt about these, please seek our advice promptly.

For certain types of insurance, for example POL (Property Owners Liability) Insurance, it is possible that a claim may be made under a policy long after the expiry date of the cover. It is therefore important that all policy documentation is kept safely, particularly that which may be called upon to provide protection beyond the expiry date of cover.

### Telephone Call Recording

You are asked to note that telephone calls may be recorded for the protection of both you and us and also for training purposes.

### Contract Certainty

The insurance industry is often called upon at very short notice to provide protection for customers wishing to transfer a risk. However, quite often there is uncertainty, either by the customer as to exactly what level of protection was provided and for the insurer not knowing exactly what it is they are insuring. To help avoid disputes from uncertainty, the insurance industry has produced a code of good practice to help provide 'Contract Certainty' before protection starts that the full wording be agreed by all parties before any insurer formally commits to the contract. The code also has service standards for issuing appropriate evidence of cover in a reasonable time. These are within 30 calendar days after inception or renewal date for Commercial customers or within 7 working days after inception or renewal date for Consumer customers.

### Corporate etc Entities

Where you are a Commercial customer and a corporation or entity which is not a natural person, unless we are specifically advised to the contrary, in writing, we will be entitled to assume that everyone within your organisation (which term for this purpose includes any parent, subsidiary or associated company) who actually gives instructions to us which we accept and act upon, has the requisite authority to do so on behalf of the organisation.

### Termination

Subject to your immediate settlement of any outstanding premiums and fees, you may instruct us to stop acting for you. Your instructions must be given in writing and a minimum of fourteen days' notice must be provided or as otherwise agreed.

In circumstances where we feel we cannot continue providing our services to you, we will give you fourteen days' notice in writing and this will take effect from the date of receipt by you of such notice, unless otherwise agreed.

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

In the event that we no longer place insurances for you and if we continue to handle your claims, we may seek to agree a fee for future work.

### Law, Jurisdiction and Third Party Rights

Unless we agree to the contrary in writing, you agree that this agreement shall be governed by and interpreted in accordance with the Law of Scotland.

You agree that the Scottish Courts shall have the exclusive jurisdiction to determine any disputes (including claims for set-off and counterclaims) which may arise in connection with the validity, effect, interpretation or performance of the legal relationship established by this agreement or otherwise arising in accordance with this agreement. You irrevocably submit to the jurisdiction of the Scottish courts.

A person who is not a party to these Terms of Business has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of these Terms of Business.

### Notes

You are deemed to have accepted these Terms of Business and give your consent for us to operate in the ways described, unless you advise us otherwise in writing within 10 days of either your policy inception date or renewal date.

However, your acceptance of these Terms of Business does not affect your statutory rights. For further information about your statutory rights contact should be made with your Local Authority Trading Standards Department or Citizens Advice Bureau.

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