

# Terms of Business - Guernsey

## July 2023



**CLEGG GIFFORD**  
STRONG INSURANCE FOR A TURBULENT WORLD

Clegg Gifford Channel Islands Limited  
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### About us

Clegg Gifford Channel Islands Limited (Clegg Gifford) is licensed by the Guernsey Financial Services Commission (GFSC). You can check our registration details by visiting:

- The GFSC's website at <http://www.gfsc.gg/The-Commission/Pages/Regulated-Entities.aspx>, our GFSC reference is 2722221.

Clegg Gifford is a Broker which places insurance with a selected range of insurers. We carry out a search of our insurer panel for the most competitive premium, or in some circumstances only offer a product from a single insurer. The panel of insurers used includes both rated and unrated companies. An unrated insurer is one that does not carry an "insurer financial strength" rating given by international rating agencies. The rating provides an assessment of the financial strength of the insurer and is usually sought by larger institutions. In simple terms, unrated insurers are generally a greater risk because they have not been rated in terms of their financial strength, although all insurers do present some degree of risk. Specifically, Clegg Gifford use Tradex Insurance Company Limited (Tradex), who are classified as unrated. Tradex have been in operation since 1995 and are regulated by the Bank of England's Prudential Regulation Authority (PRA) and the FCA. Clegg Gifford only offer policies from insurers that are based in the EU or from elsewhere if they are rated. Regulations within the EU are subject to strict requirements under Solvency II and equivalent regimes. A list of all insurers can be found on our website at [www.cginsurance.com](http://www.cginsurance.com). Certain risks may be arranged via Binding Authorities granted to us by Lloyd's Underwriters or other authorised insurers.

In the majority of circumstances, we will be acting on behalf of you, however, there will also be circumstances where we act on behalf of the insurer. Examples of when we will act on behalf of the insurer include cancellations, collection of documents and premium.

Clegg Gifford has been granted authority by a number of insurers to conduct on their behalf the underwriting and in some cases claims and complaints handling.

Customers should note that for some motor products we may use Tradex. Tradex is authorised by the Prudential Regulation Authority (PRA) and regulated by the FCA and PRA. Financial Services Register no. 202917. Tradex and Clegg Gifford have a common shareholding, with Roy Clegg owning the majority of shares in both companies. Any conflicts of interest that arise from this are dealt with within Clegg Gifford's Conflicts of Interest policy and other associated documentation. Furthermore, to ensure separation at a governance level, there are no common directors between either company, to maintain independence of both. We welcome any enquiries regarding this longstanding association between both companies. From December 2019 Clegg Gifford took a direct stake in Tradex and is now a minority shareholder in the company owning 18.18% of Tradex Insurance Holdings Limited, which owns Tradex Insurance Company Limited.

### Your Responsibility

As a customer of Clegg Gifford, we want to ensure that you always enjoy the best possible service, not least should you need to make a claim. We would like to remind you that when answering questions, we expect you to answer all questions honestly and accurately.

Incorrect information or a deliberate misrepresentation to us and/or an insurer could result in a claim not being paid in full, or at all, or in the cancellation of a policy. Accordingly, it is very important that you inform us of any change in circumstances since the last renewal or inception of your policy. Should a claim or change of circumstances arise before renewal date, the renewal terms or premium may be revised or withdrawn.

Commercial customers must disclose all facts material to the insurance they wish to take out. The facts you need to reveal are all those which the insurer needs to estimate your risk and set the premium and terms. This is a serious matter as if you do not disclose something that the insurer needs to know, you might not get your claim paid, and you might lose your premium. You should answer all questions clearly and honestly to the best of your knowledge and not conceal or distort the truth. You have a duty to make a "fair presentation" when taking out a policy or making a change to one taken out before that date. The duty of "fair presentation" means you also have to make any disclosures in a way that is clear and substantially correct. You must disclose every material circumstance which you know or ought to know. Failing that, you must provide sufficient information to put your insurer on notice that it needs to make further enquiries in order to reveal material circumstances. A matter is material if it would influence the judgement of a prudent insurer as to whether to accept the risk, or the terms of the insurance (including premium).

### Client monies & Interest earned on them

All premiums received by us will be held on behalf of insurers in accordance with a written agency agreement. Most of the Insurers have granted us Risk Transfer, which means that your money is safe and when you pay us the money is deemed to be received by the Insurer (as an agent of the insurer). 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 hold as your agent is referred to as 'Client Money' and regulations require us to keep client money separate from our own money to protect you in the event of financial failure. We will retain any interest earned on the account (subject to the regulatory maximum). Direct debit facilities may be available through Clegg Gifford depending on the product. We are a credit broker and not a lender.

## Remuneration

Clegg Gifford receive remuneration either:

- 1) By way of a commission payment by the insurers we use out of the premium paid by you; or
- 2) By charging you a fee; or
- 3) We may also receive a commission and also agree to charge you a fee.

Whenever we charge you a fee, the amount will be disclosed to you separately to the insurance premium before you decide to buy.

Clegg Gifford applies the following non-refundable fees:

Policy Type	New Business	Renewal	Mid-Term Adjustment	Duplicate Documentation	Cancellation
Homefleet	£25*	£25*	£25*	£20*	£25 plus retention of the full annual commission received*
Household	£25*	£25*	£25*	£20*	£25 plus retention of the full annual commission received*
Private Car	£25*	£25*	£25*	£20*	£25 plus retention of the full annual commission received*
Motor Trade	£25*	£25*	£25*	£20*	£25 plus retention of the full annual commission received*
Taxi	£25*	£25*	£25*	£20*	£25 plus retention of the full annual commission received*
Commercial Fleet	10% of Premium*	10% of Premium*	£25*	£20*	£25 plus retention of the full annual commission received*
All other policies	20% of premium*	20% of premium*	£25*	£20*	£25 plus retention of the full annual commission received*

\* Any variation to this amount will be advised in writing.

If we reach specific profit targets, the Insurer may also pay us an additional sum – for further information please see our website at [www.cgguernsey.com](http://www.cgguernsey.com).

Under the binding authorities Clegg Gifford will receive commission in remuneration – these rates vary according to product. If you would like more information regarding this please contact us. Where we receive no commission we will agree a specific fee with you before you agree to buy.

Clegg Gifford will earn commission in remuneration in respect of all insurance premiums paid via the direct debit facilities made available – these rates vary according to product.

We may also receive income from claims management companies.

If you take out a taxi policy that requires telematics a non-refundable telematics charge of £180 may be applicable when you incept the policy.

In the unlikely event of a miscalculation and premiums are overpaid in error by £5.00 or more, we will return the difference to you promptly. Minor differences under this amount will be donated to our chosen charities (details of which can be found on our website) so we do not benefit from any found discrepancies. If you would like us to refund all overpayments of premium please contact us and we will be happy to note our records accordingly.

## Statement of Demands and Needs

You will not receive advice or a personal recommendation from us. We will ask sufficient questions to establish your demands and needs. Any quotations given will be consistent with those demands and we will identify the lowest price products that meet those needs. You will then need to decide how to proceed and whether you consider the product suitable for you.

As soon as you receive your documentation, please ensure it is read carefully and fully. You should also ensure that you can answer yes to the following important questions:

- Am I a permanent resident of Guernsey?
- Is the cover provided adequate for my needs/business requirements?
- Am I certain that the optional extensions I have chosen are required and that I do not have this cover elsewhere?
- Do I understand what is not covered under the policy terms?
- Am I able to comply with the policy terms and conditions?
- Do I hold the relevant documentation required for me to comply with this policy?
- Am I aware of my obligations to advise Clegg Gifford of any changes during the policy term?

If you cannot answer yes to the above statements, please contact us as soon as possible to discuss.

## Complaints

If at any time you have a complaint about the services we provide for you, then you should contact us, details below.

Post: PO BOX 332 Admiral House Place Du Commerce St Peter Port, Guernsey GY1 3UD. Telephone: 01481 728 987. Email: [compliance@cginsurance.com](mailto:compliance@cginsurance.com)

You may be able to refer your complaint to the Channel Islands Financial Ombudsman Service if you are dissatisfied with our response. [E-mail: enquiries@ci-fo.org](mailto:enquiries@ci-fo.org)

## Data Protection and Confidentiality

The Data Protection (Bailiwick of Guernsey) Law, 2017 requires us to provide you with details about how we collect and use your personal information, the type of information we need from you and your rights relating to the information we hold about you. This information is all contained in our privacy policy, which can be found at <http://www.cgguernsey.com/pdf/Privacy%20Notice.pdf>. Should you require a copy of this to be sent to you, please contact us.

All information received by us about you will be treated with the utmost respect and in accordance with data protection legislation.

Information provided by you, or which is obtained from other sources in the course of our dealing with you, may be used by us to facilitate the provision of the services applied for or requested.

From time to time, we may use your personal (or other) information to advise you of other services which may be of interest to you, provided you have given us express consent to do so.

Under the data protection legislation, you:

- can obtain a copy of your personal information from us without charge by contacting us by:
  - Post: Clegg Gifford & Co Limited, The Compliance Department, 7 Eastern Road, Romford, Essex RM1 3NH
  - Email: [DPA@cginsurance.com](mailto:DPA@cginsurance.com)
  - Tel: 01708 971000
- have the right to transfer information to other providers;
- have the right to ask us to correct any information we hold on you;
- have the right to ask us to delete any information we hold on you or to object to us using it, unless it is necessary for us to retain it for insurance, legal or financial purposes;
- have the right to object to the processing of data.

## Claims

All incidents which may give rise to a claim must be reported immediately to us and/or your insurer regardless of blame.

If we have authority to handle claims on behalf of the insurer, we use Kindertons Accident Management (Kindertons) to deal with first notification of loss reports and the handling of claims for certain insurers on our behalf. You would have been advised if this service is available to you. If available, it is essential that incidents are notified to Kindertons immediately on 0343 903 1892. This reporting line is operative 24 hours a day.

We or our handling agents will provide a claims handling service for any claim occurring during the policy term and we will:

- Provide guidance;
- Handle claims fairly, promptly and keep you informed of progress;
- Not unreasonably decline to deal with a claim;
- Inform you in writing if we are unable to deal with any part of a claim.

## Cancellation period

Cancellation fees are applicable regardless of whether cancellation is at your request or invoked by the insurer.

If you decide to cancel your insurance please contact us to discuss as there may be other options available. Please note that cancelling your direct debit does not cancel your insurance policy.

For policies with a duration greater than 30 days you may have a “Cooling off Period” in which to cancel your policy without giving any reasons for cancellation. The “Cooling off Period” is defined as 14 days from the start of your policy, or from the date you receive your policy documents, whichever is later. Cancellation within the “Cooling off Period” will incur our administration charge as set out above and the insurer will charge for any days of insurance cover provided (provided there have been no claims) plus an administration fee.

After the “Cooling off Period” cancellations will incur our administration charge as set out above. Most insurers will make a charge for the time the insurance policy has been on cover, known as ‘pro rata’. Some insurers will charge a percentage of your premium depending on how long the insurance policy has been in force, known as ‘short period’. Examples of typical ‘short period’ rate charges are detailed in the table below:

Months on Cover	1	2	3	4	5	6	7	8
Premium Payable	25%	40%	55%	75%	100%	100%	100%	100%

Also, please note that some insurers do not offer any return premium following cancellation.

If there has been any claim made on the policy (regardless of cancellation terms), the full premium is payable and no refund will be due. If you have paid your premium in full and have had no claims, you may be entitled to a refund of part of your premium. If you have chosen to pay your premium by instalments, any refund from the insurer will be used to settle the remaining balance of your finance before any refund due to you is calculated.

## Governing Law

The law of England and Wales will apply to this agreement unless, at the date of this agreement, your registered office or principal place of business is situated in the Channel Islands or the Isle of Man, in which case the law of that jurisdiction will apply.

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