

Deputy Bonds

Initial Disclosure Document

Please read this document carefully. If you have any questions regarding this document please contact us.

This Agreement is between you and Howden Insurance Brokers Limited (“we”, “us”, “our”), a subsidiary of Howden Broking Group Limited, which is part of the Howden Group, whose registered office is at One Creechurch Place, London, EC3A 5AF.

About Us

We are an independent Lloyd's insurance broker, authorised and regulated by the Financial Conduct Authority (“FCA”).

Our FCA Firm Reference Number is 309639. These details can be checked on the Financial Services Register by visiting <https://register.fca.org.uk/> or by contacting the FCA on 0800 1116768.

The intention of this Initial Disclosure Document is to clearly and concisely establish the basis of our relationship with you and the services that we will provide in respect of the Deputy Bond(s) that we arrange or have arranged on your behalf and all other persons named as joint deputies. We shall proceed on the basis that we have your informed consent to the terms of this agreement.

From time to time, it may be necessary for us to amend or supersede these terms by new terms which will be communicated to you in writing.

Please contact us immediately if there is anything in this Agreement that you do not understand or with which you disagree.

Deputy Bonds as Contracts of Guarantee and Reimbursement in the event of a claim under a Deputy Bond

Please note that, whilst surety bonds are regulated as insurance products, they are not an insurance product at common law. A surety bond is a guarantee.

Importantly, guarantees differ from insurance products because, in the event of a call under the guarantee, the company issuing the guarantee will have a right to be reimbursed.

All Deputies are liable to reimburse the surety company HCC International Insurance Company plc (trading as Tokio Marine HCC) (“HCC”) for any loss and costs incurred by HCC should the Office of the Public Guardian enforce the bond as directed by the Court of Protection. In the event of loss under the Deputy Bond, HCC will take such action as appropriate against Deputies to recover their loss. If there are multiple Deputies appointed under the deputyship, each Deputy is liable for the actions of all the other Deputies on a joint and several basis.

Communication

If you communicate with us via electronic means, including e-mail, we shall take this as your consent to receiving all information from us using the same communication method. However, upon your request, we will be happy to provide you with any information we have provided to you, in paper format.

Complaints

We strive to do everything to ensure that you receive the best possible service. However, if you wish to make a complaint about our service you may do so by contacting any of our employees by whatever means is convenient to you. Alternatively, you can direct your complaint to our Compliance Team at the address set out at the beginning of this Agreement, or by emailing:

ComplianceHIBL@howdengroup.com

We will acknowledge receipt of your complaint in writing within 5 working days and give you our response to your complaint at this time if we can. If we are unable to respond to you within this period of time, we will provide you with our complaints procedure, (which is available on our website and on request) as well as further details as to when we will likely be in a position to respond.

If we cannot settle your complaint to your satisfaction, you may be eligible to refer your complaint to the Financial Ombudsman Service (“FOS”) or for policyholders located in Guernsey or Jersey, the Channel Islands Financial Ombudsman (“CIFO”).

The FOS is an independent and free to access service in the UK for settling disputes between eligible complainants and businesses providing financial services. You can find more information on the FOS at www.financial-ombudsman.org.uk.

Deputy Bonds

Initial Disclosure Document

For clients based in the Channel Islands, the CIFO is an independent and free to access service in the Channel Islands for settling disputes between eligible complainants and businesses providing financial services. You can find more information on the CIFO at www.ci-fo.org. For policyholders located in Guernsey, if we have not provided you with a final response within three months of becoming aware of your complaint, we shall inform the GFSC and remind you of your rights to also inform the GFSC directly of your complaint.

Compensation

We are covered by the Financial Services Compensation Scheme ("FSCS"). You may, depending on where the risk is located, your status and the type of insurance contract concerned, be entitled to compensation from the FSCS.

Further Information about the Scheme is available from the FSCS, (10th Floor, Beaufort House, 15 St. Botolph Street, London EC3A 7QU) and on their website: www.fscs.org.uk

Your Payment to Howden Insurance Brokers Limited

Payment of your Surety Bond premium will be made by you to us, and cleared through the banking system before your Surety Bond is issued.

Surety Bond Placing

Howden Insurance Brokers Limited will place your Deputy Bond with HCC International Insurance Company PLC ("HCC") (trading as Tokio Marine HCC) who were selected by competitive tender to become one of the approved Surety Companies for this scheme after fulfilling all the necessary requirements of the Ministry of Justice and Howden Insurance Brokers Limited.

We have a delegated authority agreement with HCC which allows us to bind the Surety Bond on their behalf and issue documentation.

In placing Surety Bonds for Deputies, we act as the deputy's agent.

Should you instruct us to bind this Surety Bond with HCC, we would be placing your Surety Bond through the binding authority granted to us by HCC.

Client Money

Client money is any money that we receive and hold in the course of arranging or administering the Deputy Bond on your behalf, or which we treat as client money, in accordance with the FCA Client Assets sourcebook ("CASS").

We may hold premium on your behalf, either paid by you to be passed on to HCC or paid to us by HCC to be passed on to you. For your protection money received from you, or to be paid to you, will be held by us in accordance with the FCA's rules. In this instance we hold money as agent of HCC under a 'risk transfer' process. Under risk transfer we have an arrangement with HCC to hold money as their agent. Money we receive either from you, or from HCC, will therefore be the property of HCC whilst we hold it. Therefore, if you pay money to us, it is treated as having been received by HCC and if we do not pay it over to HCC, your Deputy Bond will not be affected. Similarly, if HCC pays claims money or a return premium to us for onward transmission to you, and we do not pay you then HCC will still be liable to you. Where we do not use 'risk transfer', we will notify you separately.

Remuneration

We are paid for administering your Deputy Bonds by commission from HCC that forms part of the premium.

We will deduct any commission entitlements before paying premiums to HCC, and therefore you will not pay any additional fee for our services.

Confidentiality and Data Protection

Summary

This is a summary of how we use your information, including where this information contains personal data and/or special categories of personal data such as information related to the physical or mental health of an individual. To the extent that we process personal data in connection with this Agreement, we shall generally do so as a controller in our own right. For certain ad-hoc services, and where you are an organisation, we may act as your processor, in which case we will enter into a separate agreement with you to enable us to comply with Data Protection Law. Further information about how and why we collect and use personal data can be found in our Privacy Notice, which can be accessed through our website at www.howdengroup.com/uk-en or we can provide this to you on request. Our Privacy Notice also explains what rights are available to individuals and how those rights can be enforced.

Deputy Bonds

Initial Disclosure Document

Your attention is specifically drawn to the paragraphs headed “General Financial Soundness Check” and “Disclosure of Information between Co-Deputies” below.

Your Obligations

Where you provide us with the personal data of individuals, for example your employees, officers, clients, dependents or other third-party individuals, you shall be responsible for ensuring that you have a lawful basis for sharing this information with us, and that you provide these individuals with a copy of our Privacy Notice.

Our Obligations

We shall comply with applicable Data Protection Law whenever we are processing information that contains personal data, and we have policies and procedures in place to protect and manage that information. We shall treat all such information as confidential, and we shall ensure that personal data is processed lawfully, fairly, transparently and in compliance with Data Protection Law.

Data Sharing

In order to deliver the services described in this Agreement, we may need to disclose your information to a range of third parties for the purposes of obtaining (re)insurance or employee benefit quotations as applicable, arranging, placing or administering cover for you, or providing any other related services. These third parties may include, where applicable, (re)insurers, other intermediaries, risk management assessors, uninsured loss recovery agencies, service providers, industry regulators, anti-fraud organisations, credit reference agencies, premium finance providers, auditors and other third parties involved directly or indirectly in our provision of services to you.

Many of these third parties receive and process personal data as controllers in their own right and are therefore independently responsible for the processing they undertake, but where a third party receives personal data as our processor we shall ensure that we satisfy the applicable requirements under Data Protection Law. Where we agree to make a third party platform or portal available to you, we retain responsibility for any personal data collected through that channel.

We may also make your information available to other Howden Group companies whom support us in providing our services to you. They may use this information for statistical analysis, business reporting or for external business development purposes for which they may receive remuneration, such as providing market insight to (re)insurers on a confidential basis. We and they will only disclose personal data to third parties outside of the Howden Group in accordance with Data Protection Law, or in an anonymised and/or aggregated format where necessary to support the purposes stated above.

International Transfers

Where such disclosures necessitate transfers of personal data to third party recipients outside of the UK, we will ensure that personal data is protected as required by Data Protection law. This may include adopting the UK’s International Data Transfer Agreement (“IDTA”), or other permitted transfer mechanism, in the event that the third party recipient is based in a country or jurisdiction that has not received an adequacy decision under Data Protection Law.

Call Monitoring

Please note that telephone calls may be recorded and monitored for training, quality assurance, complaint-handling and other internal investigation purposes.

Definitions

“Data Protection Law” means the UK GDPR (which merges the Data Protection Act 2018 and the UK’s retained sections of the General Data Protection Regulation (Regulation (EU) 2016/679) (“GDPR”); and any amended or successor legislation to the UK GDPR.

References to “Controller”, “Processor”, “Personal Data”, “Processing” and “Special Category Data” shall have the meanings given to them under Data Protection Law.

General Financial Soundness Check

The “General Financial Soundness” check is a fundamental part of the services we provide and all Deputies are subject to a ‘General Financial Soundness’ check. We are required to carry out this check pursuant to our appointment by the Office of the Public Guardian (OPG).

Deputy Bonds

Initial Disclosure Document

The “General Financial Soundness” check consists of a search of public data records for all Deputies in respect of County Court judgements, bankruptcy, debt relief orders or individual voluntary arrangements having been entered into. We will undertake the search using the services of TransUnion and in doing so a record of the search being made will be recorded against your public data credit file. This will not affect your credit history.

We will share the results of the search with the Court, the OPG and the bond provider HCC who may each retain the information. Similarly, if you are applying as a co-Deputy, please note that the results of this check will be disclosed to all Deputies.

Disclosure of Information between Co-Deputies

Where you are applying for a Deputy bond as a Co-Deputy, we will disclose information in relation to your application (including but not limited to each Deputy’s contact details and the results of any “General Financial Soundness” check) to all Deputies.

Financial Crime

We are obliged to conduct reasonable due diligence to protect us and our clients against the risk of financial crime. At the start and throughout our relationship, we will require you to provide evidence to assist us in verifying your identity and/or legitimacy of any transactions we conduct on your behalf.

Neither party shall be involved in the offering, promising or giving of any financial or other advantage to any person in breach of any anti-bribery laws (including the Bribery Act 2010). Both parties shall also maintain their own policies and procedures which ensure compliance with the Criminal Finances Act 2017 in so far as it applies to them, in order to prevent the facilitation of tax evasion.

We are obliged to report evidence or suspicion of financial crime to the relevant authorities at the earliest reasonable opportunity and may be prohibited from disclosing any such report to you.

We shall not provide brokerage services or pay any claim or provide any benefit under this Agreement with any client that is the subject of any trade and economic Sanctions or embargos adopted and/or enforced by the U.S. Department of Treasury’s Office of Foreign Assets Control, the European Union and its Member States, Her Majesty’s Treasury, the United Nations Security Council or other relevant economic sanctions and embargo control authority across the world (collectively referred to herein as “Sanctions”), nor is located, organised or resident in a country or territory that is the subject of comprehensive country Sanctions, including, without limitation, Iran, Crimean region of Ukraine and North Korea or any other country subject to comprehensive country Sanctions as these may be adopted and enforced from time to time.

We will also be unable to provide brokerage services for any targeted or transactional country Sanctions, without limitation, Syria, Cuba, Venezuela, Russia or any other targeted or transactional country Sanctions that may be adopted and enforced from time to time. The insurer may not be deemed to provide cover and may not be liable to pay any claim or provide any benefit under this agreement insofar as the provision of such cover, payment or claim may expose the insurer or its related companies to any prohibition or restriction under the Sanctions.

If Sanctions apply, we shall not be able to process already notified claims and your insurers may terminate your insurance contract, and not pay any notified claims. If you become subject to Sanctions after the entry into force of this Agreement, we may have to terminate our relationship and your insurer may invoke its cancellation rights under your insurance contract. The parties to this Agreement shall notify each other immediately of any suspicion of exposure to Sanctions.

Claims notifications

You must notify us as soon as possible of any circumstance which could cause a claim to arise under your Deputy Bond or any other document in place in connection with your Deputy Bond. Failure to notify HCC promptly may entitle them to make a claim against you.

Limitation of Liability

Your attention is particularly drawn to the provisions of this section.

Deputy Bonds

Initial Disclosure Document

The following provisions of this section set out our entire financial liability (including any liability for the acts or omissions of our employees, agents and sub-contractors) to you in respect of all losses, claims or liabilities arising under or in connection with this Agreement (including in respect of any indemnities), whether in contract, tort (including negligence), breach of statutory duty, or otherwise.

- 1) All warranties, conditions and other terms implied by law are, to the fullest extent permitted by law, excluded from this Agreement.
- 2) Nothing in this Agreement excludes or limits our liability for death or personal injury caused by our negligence or for fraudulent misrepresentation.
- 3) Nothing in this Agreement excludes or restricts our duty or liability to you under the applicable regulatory regime.
- 4) Subject to paragraphs (1) to (3) above, our total liability to you shall in the aggregate be limited to £25 million or \$30 million, and we shall not be liable to you for loss of or corruption of data, loss of profit, loss of anticipated savings, loss of business, loss of opportunity, depletion of goodwill, any punitive or exemplary damages or any indirect or consequential loss or damage.

Duties owed by Howden Insurance Brokers Limited

The duties owed to you under or in connection with these arrangements are solely and exclusively those of Howden Insurance Brokers Limited. You may not institute any proceedings or otherwise bring a claim against any officer, employee or agent of Howden Insurance Brokers Limited or in respect of any act or omission of any kind by that officer, employee or agent in connection with the work we undertake for you. Any officer, employee or agent may rely on this paragraph and enforce its terms under the Contracts (Rights of Third Parties) Act 1999.

Third Party Rights

Other than where it is contemplated elsewhere in this Agreement, a person who is not a party to this Agreement shall not have any rights under or in connection with it.

Jurisdiction and Choice of Law

This Agreement and any dispute or claim arising out of or in connection with it or its subject matter shall be governed by and construed in accordance with the laws of England and Wales.

We both irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Agreement or its subject matter.