

## Provision of Services Statement

**We have pleasure in setting out below a description of the services that we provide, and our policy regarding remuneration.**

### Services

In return for the remuneration that we receive, we aim to provide the following services. This list is not exhaustive and may vary depending upon individual circumstances:

- We will discuss your insurance requirements with you by telephone, email or in person and their appropriateness for either your business or personal circumstances;
- We will advise you of the insurers that we are approaching for the cover you require;
- We will discuss with you any changes in legislation and any developments in the market which in our opinion could affect your insurance cover;
- We will negotiate terms on your behalf and present to you the quotations that we have obtained, together with our recommendations;
- We will take your instructions and place the insurance with the insurers as appropriate;
- We will provide you with a complete summary of the insurances which we place for you, together with a breakdown of the sums insured and premium payable;
- We will issue the policy documentation provided by the insurer to you, or on their behalf where we are authorised to do so;
- We will invoice the premium to you and account for the payment of it to the insurers;
- In the event of a claim, we will assist you in collating or obtaining the information required by insurers and in negotiations with them or any loss adjuster or other professional retained on their behalf. In the event of settlement we will facilitate the prompt payment of funds to you;
- We will represent you as required in any appraisals that the insurers may require, such as valuations, security or fire surveys;
- We will provide advice to you on general loss prevention with the aim of helping you to manage risk, in order to obtain the most advantageous terms and to minimise your premium outlay;
- We aim at all times to conduct our business in a courteous, efficient and professional manner.

### Placement through a Sub-Broker

In some instances we may use the services of another broker to place your insurance, where it is more advantageous to access a particular insurer through this route. We will normally be allowed commission by that sub-broker as a percentage of the premium charged to you, in the same way as we would be by an insurer on a direct basis. If, in addition, a fee is charged by that broker it will be disclosed to you at the time that the insurance is placed. We will disclose to you the name of any such sub-broker that we use in the placement of your insurances in the insurance documentation that is issued to you.

## **Binding Authorities**

Binding Authorities are contracts which we place with insurers for the benefit of clients seeking some specific classes of insurance. Volume of business under one facility maximises our negotiating power with insurers and streamlines the underwriting process and administration of the policy to your benefit. We are able to bind cover on the insurers' behalf and in these circumstances we act as both your and the insurers' agent. In addition, we are sometimes granted a limited authority to settle claims on insurers' behalf and we will advise you where this is the case.

It should be noted that in providing services under binding authorities, we recognise the potential for conflict of interest in our role as both your and the insurers' agent. As a company, we have a comprehensive conflict management policy and always look to manage any conflict transparently, by advising you in each case where there is the potential for this to be an issue.

Where insurance is placed under a binding authority, we may receive additional income directly from the insurers in recognition of the services that we provide on their behalf.

Additional income may take the form of a percentage of the premium, an administration fee or, depending upon the insurer's underwriting results, a profit commission. Profit commission is dependent on the insurer making an underwriting profit on the total of all the risks placed under a binding authority and is not contingent upon the performance of any individual policy on its own. Consequently, this commission is not guaranteed and the net profit can only be determined after all relevant risks have expired and the insurer has taken into account its underwriting costs and expenses. This takes in excess of a year, and usually several years to establish, but where an overall net profit is determined, we may be eligible to receive a percentage of it.

## **Remuneration**

Lycetts is remunerated either by a fee, commission or a combination of both, with commercial clients having the right to request details. In the case of a fee, we will have agreed this with you prior to placing your business.

Commission is calculated as a percentage of the insurance premium that you pay and is allowed to us by the insurer with whom the insurance contract is placed. Where we charge an additional Administration Fee, this will be agreed with you at the time.

If we are remunerated solely by a fee, then you will pay the premium net of the commission normally allowed to us by the insurer, or any other parties involved in the placement of the insurance policy. The fee may include the cost of any subsequent policy amendments, or alternatively there may be provision for additional charges to be made as appropriate.

If you ask us to arrange payment by instalments through a finance provider we will receive remuneration from that provider for arranging the transaction. The finance provider may undertake a credit check before agreeing to the arrangement.