

# Marsh Ltd

# Terms of Engagement and

# Important Information

## Introduction

Marsh Ltd is an insurance intermediary, risk consultant, and credit broker

Please read this document carefully as it contains important information.

You will not receive advice or a recommendation from us with regard to court required bonds.

All communications with you regarding this Bond will be in English.

These Terms of Engagement will form the agreement between us and you, our client (the “**Engagement**”).

References to ‘you’ and ‘your’ include each of your affiliates (as defined in clause 11).

References to ‘insurer’ or ‘insurers’ includes reference to the bond guarantor / cautioner / surety provider.

These Terms of Engagement contain important information. If there is anything you do not understand or accept, please talk to your regular Marsh contact. By instructing us, you are accepting the terms of the Engagement.

Our Services will be agreed between you and us in writing. We aim to treat our clients fairly and will not deliberately put ourselves in a position where our interests, or duties to anyone else, prevent us from fulfilling our duty to you.

Please visit our website at: <https://www.marsh.com/uk/about-marsh/leading-the-way-in-transparency.html> or contact us for more information on how we manage conflicts of interest.

## How we are regulated

Marsh Ltd is authorised and regulated by the Financial Conduct Authority (FCA) for General Insurance Distribution and Credit Broking (Firm Reference No. 307511). You can check our authorisation on the Financial Services Register by visiting their website at [www.fca.org.uk/register](http://www.fca.org.uk/register) or by calling 0800 111 6768.

## Complaints and access rights

If you wish to register a complaint please contact your regular Marsh contact or:

Head of Quality  
Marsh Ltd  
Tower Place  
London EC3R 5BU

Phone: 020 7357 1000

Email: [quality.feedback@marsh.com](mailto:quality.feedback@marsh.com)

Should you remain dissatisfied with the way we resolve a complaint, you may have the right to refer to the Financial Ombudsman Service, free of charge. Their address is:

The Financial Ombudsman Service, Exchange Tower, London, E14 9SR. Tel: 0800 023 4567.

Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk).

Further information can be found on the Financial Ombudsman Service website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

You have the right to ask us for a copy of any personal data that we hold about you in our records, and to correct any inaccuracies or out-of-date information. Should you wish to do so or if you have any questions about our use of the personal data you provide please contact your regular Marsh contact or write to the Data Protection Officer, Marsh Ltd, Tower Place, London EC3R 5BU or [dataprotection@marsh.com](mailto:dataprotection@marsh.com)

## Remember to tell us of any changes to your details

If you change address, please let us know.

## Increasing or decreasing the value of the Bond

The Court will direct any increase or decrease in the value of the Bond.

## Our relationship with the insurer

When placing insurances or bonds we normally act as our clients' agent. In placing this cover, Marsh Ltd has a "delegated authority" granted to us by the insurers which means that we act as agent of the insurer and have authority to accept insurance risks and bonds and issue documentation on their behalf.

Our information and/or documentation can be made available in a larger font, or an alternative format, on request. Please contact your Client Executive for further details.

# 1. Our Services

- 1.1 We will use the reasonable skill and care expected of a competent and professional insurance intermediary and risk consultant providing similar services.
- 1.2 Our Services may include advice or recommendations (or both) as set out in your Letter of Engagement. However, it is for you to decide whether or not to accept our advice or recommendations.
- 1.3 We will be entitled to provide the Services ourselves or, where appropriate, through one or more of our affiliates or subcontractors.
- 1.4 Any information we provide on insurance or surety/caution regulatory and tax issues will be based on information available publicly and our experience from working on similar matters for other clients. We are not qualified to provide, and will not provide, legal, accounting, regulatory or tax advice. We recommend that you obtain your own advice on such matters from relevant professional advisers.
- 1.5 After assessing your needs, we will support you in meeting your contractual and/or surety/caution obligations by recommending a bond solution for you. We will recommend the route to the insurer and will not introduce additional steps unless this is in your best interests. We can assist in arranging bond facilities and ensuring adequate capacity and providing advice on bond wording and indemnity negotiation. You will then need to decide how to proceed. When we receive your instructions, we will try to arrange one or more bonds to meet the needs you have specified. If we cannot arrange a bond or bonds to meet your requirements, we will advise you in writing.
- 1.6 As part of our negotiations with insurers on your behalf, we may on occasion be able to obtain more favourable terms and conditions for your placement by providing insurers with certain types of information. Where we believe your interests would be advanced by doing so, you authorise us to do the following:
  - 1.6.1 Where we are required to switch insurers during the lifetime of a bond, at the outset of the negotiations, to provide insurers with the terms of the policy, including pricing, and/or a pricing objective for your placement;
  - 1.6.2 during negotiations, to provide one or more insurers with the terms of a quote received from another insurer, where in our judgment doing so may lead to improved terms for you; and
  - 1.6.3 at the end of negotiations, to provide one or more insurers with an opportunity to submit an improved quote after all other quotes have been received.
- 1.7 In the event that you fail to perform any of your obligations in this Engagement, we reserve the right to suspend the provision of our Services to you.
- 1.8 In the event that you have direct interaction with insurers, without our involvement as your appointed intermediary, we shall not be responsible for the outcome and consequences of such direct interactions.

## 2. How we are paid

- 2.1 We are paid by commission from the insurer. We will disclose commission amounts, or the basis of a calculation, to you on request.
  - 2.2 We may receive payments from insurers for providing consulting, data analytics and other services. These services are designed to:
    - improve the range of products we can offer to our clients;
    - help insurers to identify new opportunities; and
    - make insurers more efficient.
- The scope and nature of these services vary. A list of insurers who pay us for consulting services is on our website at: <https://www.marsh.com/uk/about-marsh/leading-the-way-in-transparency.html>
- 2.3 If we cannot place your bond, we may refer you to another insurance intermediary. If we receive payment for doing so we will tell you.
  - 2.4 If insurers with which we place your bond choose to use our services or the services of an affiliate of ours, we may also receive further payment. Unless you advise us otherwise, we

will consider that you have no objection to our placing further reinsurance for your insurers.

- 2.5 In some circumstances, an insurer may wish to purchase reinsurance in respect of the cover provided to a client. Marsh or our Guy Carpenter business unit may receive fees or commission for work related to the reinsurance solution on behalf of an insurer, if they are the intermediary on that placement. Reinsurance helps insurers to manage their volatility, enabling them to provide more effective and efficient solutions to our retail clients.
- 2.6 We will be considered to have fully earned our commission from the inception of the bond.
- 2.9 If you ask us for a copy of your files, we may charge you for our time spent and costs reasonably incurred in dealing with such a request.
- 2.10 All fees and expenses we quote do not include VAT (which will be added if applicable).
- 2.11 If, in the process of handling client money, we earn interest or benefit from investment income or from foreign exchange movements, we will keep such amounts (see Client Money section below).
- 2.12 For further details of payments that we receive, please see our "Guide to how we are paid (UK and Ireland)" at

<https://www.marsh.com/uk/about-marsh/leading-the-way-in-transparency.html>

### 3. Client money

- 3.1 If we hold money on a client's behalf, it will be held in a trust fund that is separate from our own cash assets. These separate trust fund arrangements are commonly known as "client money". If we were ever unable to pay our debts, then those to whom we owe money (our creditors) should not be able to make claims on our client money in the separate trust funds as it does not form part of our own cash assets.
- 3.2 The trust arrangement we use for client money is known as a non-statutory trust. Here, we may use premiums and claims monies we receive to cross-fund clients' premiums and claims; for example we may pay a premium on to an insurer before we have received it from the client if we believe it is in the best interests of that client.
- 3.3 We have agreements with some insurers (known as "risk transfer agreements"). Under these risk transfer agreements the insurers agree that they are responsible to you for any premium that you have already paid to us and that they remain responsible for any premium refund until the premium refund is received by you. Similarly, the insurers agree that they remain responsible for any claims payment until the claims payment is received by the bond beneficiary. In this case we may hold client money due to or from the insurers in the same trust fund.
- 3.4 Where we do not have risk transfer agreements in place with insurers the client money we hold will still be protected within the non-statutory trust but will be known as "non risk transfer" client money. Non risk transfer clients have priority over insurers to the money in the trust fund as insurers granting risk transfer have agreed to subordinate their interests in the trust to those of Marsh's non risk transfer clients.
- 3.5 We do not use client money to pay ourselves commission before we receive your premium.
- 3.6 When we hold client money on trust for you this gives rise to fiduciary duties upon us that will not be discharged until the client money is deemed to have reached the insurer or product provider (as detailed above, this is when we receive premium in the case of risk transfer agreements).

- 3.7 Without affecting our fiduciary duties to you, in some cases we may:
- hold client money in accounts which are outside of the United Kingdom and which may be subject to different legal and regulatory conditions and may treat money differently in the event of a bank failing. If you are a consumer (a person who buys products or services for personal use and not for business purposes) you can ask us not to put your client money in an account in a particular country;
  - pass client money to another intermediary, including ones outside of the United Kingdom where different legal and regulatory conditions apply and where money may be treated differently in the event of an intermediary failing. If you are a consumer, you can ask us not to pass your money to an intermediary outside of the United Kingdom or in a particular country; and
  - arrange to hold certain investments with a value at least equal to the money that would otherwise have been paid into a separate client account. If we do this, we will be responsible for meeting any shortfall in the client money funds if the shortfall is due to a reduction in the market value of those investments.

- 3.8 If, in the process of handling client money, we earn interest or benefit from investment income or from foreign exchange rate movements, we will keep any such amounts.

## 4. Your obligations

- 4.1 The below sets out further obligations which apply to the Services.
- 4.1.1 You shall provide us with all relevant information to enable us to provide the Services. Such information must be provided within the timeframe that we agree with you in a format which allows us to provide a clear presentation to insurers. We can rely on any information provided to us by you.
- 4.1.2 You must pay your premiums on time. Time for payment shall be of the essence of the Engagement.
- 4.1.3 In order for us to carry out our due diligence on you:
- you must arrange for us to have access to all records, documents, files and other relevant information, personnel and/or management. Our Services are based on conditions observed by us and information provided by you.
- 4.2 You must promptly check all documents you receive from us or insurers to make sure there are no mistakes or misunderstandings. You must immediately tell your regular Marsh contact or the insurer about any mistakes or anything you do not think is in line with your instructions.

## 5. Work product

We disclaim all responsibility for any consequence whatsoever should a third party rely upon any report, letter, information or advice we provide to you without our prior written consent that such third party may do so.

## 6. Period and termination

- 6.1 The Engagement starts on the date you send us a completed bond application form.
- 6.2 You may terminate the Engagement by giving us not less than 90 days' notice in writing.
- 6.3 You may terminate the Engagement immediately in writing if Marsh:
- commits a material breach including (but not limited to) any breach of clause 4 or clause 5 and, in the case of a breach capable of remedy, fails to do so within 30 days of receipt of a notice setting out particulars of the breach; or
  - becomes insolvent or bankrupt, goes into liquidation, enters into a voluntary arrangement with their creditors, becomes subject to an administration order or has a receiver appointed over their assets, or becomes subject to any equivalent foreign process.
- 6.4 Marsh may terminate the Engagement through following a court process and obtaining a court order.
- 6.5 The bond cannot be terminated, except by it being discharged through a court order or a successor replacement bond.
- 6.6 When the Engagement terminates we will cooperate in the transfer of your business where necessary, in consideration of all amounts owed to us being paid.

## 7. Limit of our liability

- 7.1 The maximum aggregate liability of Marsh and our affiliates to you, howsoever arising, in connection with the Engagement shall be limited in total to either the amount set out in any Letter of Engagement or, in the absence of any such amount being specified therein, £10,000,000.
- 7.2 Marsh and our affiliates shall not be liable to you in any circumstances, for any loss of profit or any special, indirect or consequential loss howsoever arising under or in connection with the Engagement.
- 7.3 We are not liable for any actions or failures arising before the date you enter into the Engagement.

- 7.4 These provisions shall not apply to any liability for:
- death or personal injury;
  - fraud or fraudulent misrepresentation; and
  - any client defined as a consumer (i.e. a person acting for purposes outside his trade, business or profession).
- 7.5 This limitation of liability clause shall survive termination of the Engagement.
- 7.6 Our obligations to you are solely contractual in nature. We act as a fiduciary for you to the extent required under English law but do not have any enhanced fiduciary or other duty to you.

## 8. Data protection and intellectual property

- 8.1 We shall retain all intellectual property rights in all materials developed, designed or created by us (or any of our affiliates) before or during the Engagement, however we grant you a perpetual and royalty free licence to use these materials, but only for the purposes for which they were created under the Engagement.
- 8.2 The parties both warrant that they will comply with the provisions of the applicable UK law (including the General Data Protection Regulation (Regulation EU 2016/679)), as incorporated into UK law by section 3 of the European Union (Withdrawal) Act 2018, as amended by the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019 and 2020 and its successor laws (together the "UK GDPR"), Data Protection Act 2018 and any other applicable data protection laws applicable to the Engagement.
- 8.3 To provide our Services, we will collect and use information about individuals, such as their name and contact details, which may also include special categories of personal data (e.g. health information) and information relating to criminal convictions and offences. We are an independent data controller of any personal data you provide to us or which we process in connection with the Services. When you provide such personal data to us, you will also be acting

as a separate and independent controller. The purpose for which we use personal data may include arranging insurance cover, handling claims and for crime prevention and detection. We may also use personal data on a de-identified and/or aggregate basis for benchmarking, modelling and other analytics offerings as described in clause 9. More information about our use of personal data is set out in the Marsh Privacy Notice available at <https://www.marsh.com/uk/privacy-notice.html>. You or the data subjects whose data you provide to us can also request a copy of the Marsh Privacy Notice by email or writing to the Data Protection Officer, Marsh Ltd, Tower Place, London EC3R 5BU or [dataprotection@marsh.com](mailto:dataprotection@marsh.com). We recommend that you review this notice.

- 8.4 Providing the services may involve the disclosure of personal data to third parties such as insurers, reinsurers, loss adjusters, sub-contractors, our affiliates and to certain regulatory bodies who may require your personal data themselves for the purposes described in the Marsh Privacy Notice.
- 8.5 Depending on the circumstances, the use of personal data described in this notice may involve a transfer of data to countries outside of the European Economic Area (EEA) or the United Kingdom (UK) that have less robust data protection laws.
- 8.6 Each of us shall only transfer personal data from the EEA or the UK to third countries which are not subject to an adequacy decision by the appropriate authority, after having implemented appropriate safeguards in accordance with applicable data protection laws, such as binding corporate rules or the standard contractual clauses in the form in the C(2021) 3972 final Annex to the Commission Implementing Decision. If so required by applicable data protection laws, we and you shall:
- (i) promptly exercise each other's rights as a data exporter in the standard contractual clauses;
  - (ii) execute or re-execute the standard contractual clauses as separate documents setting out the proposed transfers of personal data in such manner as may be required by data protection laws; and

(iii) reasonably cooperate with the other in order to demonstrate compliance with personal data transfer restrictions under applicable data protection laws.

- 8.7 **Use of personal data based on consent:** in some circumstances, we may need to collect and use special categories of personal data. Where your consent to this processing is necessary for us to provide you with the relevant services, this consent may be withdrawn at any time (and you shall promptly notify us of that), but if it is, we may be unable to continue to provide our Services and this may mean that we are unable to process an enquiry or claim and it may impact (re)insurers' ability to provide (re)insurance. We will explain the consequences of withdrawing consent at the relevant time.
- 8.8 Where you are providing us with personal data about a person other than yourself, you agree to notify them of our use of their personal data and, where necessary, obtain their consent to our use of any special categories of personal data such as health information and information relating to criminal convictions and offences. You agree that our provision of the Services to you is conditional on you providing such notices and obtaining such consents. Any third party whose personal data we use may withdraw such consent at any time but if consent is withdrawn then we may be unable to continue to provide services to them (and possibly you), and this may mean that we are unable to process enquiries or claims and it may impact (re)insurers' ability to provide (re)insurance. We will explain the consequences of withdrawing consent at the relevant time.
- 8.9 We will maintain appropriate data security procedures designed to protect against loss or compromise of personal data.

## 9. Confidentiality

- 9.1 We will keep your information confidential. However, in the normal course of business and in acting on your behalf we may disclose your information to our employees, agents, outsourcers, premium finance providers, affiliates or sub-contractors or to insurers and their agents. We may also have to disclose your information pursuant to legal or regulatory requirements. Any disclosure to any other third party will only be made with your prior written consent.
- 9.2 We will be entitled to use information in relation to the bonds placed in connection with the Engagement, on an anonymised basis, when dealing with insurers on different bonds on behalf of clients other than yourself.
- 9.3 We may:
- 9.3.1 provide databases to insurers which may include confidential information relating to any bond placed in connection with the Engagement;
- 9.3.2 include, on an anonymous basis, information relating to your bond programme in benchmarking, modelling and other analytics offerings; and
- 9.3.3 share with prospective insurers information about your upcoming insurance renewals to help insurers identify opportunities to compete for risk. Marsh shares the information as part of its insurer consulting offering, which is designed to help insurers expand their own offerings and create superior solutions for Marsh clients.
- 9.4 For more information, please visit [www.marsh.com/uk/about-marsh/leading-the-way-in-transparency.html](http://www.marsh.com/uk/about-marsh/leading-the-way-in-transparency.html)
- 9.5 This confidentiality commitment to you does not apply to information lawfully in our possession or in the public domain.

## 10. Bribery and corruption

Each party shall comply with all applicable laws, statutes and/or regulations relating to bribery and corruption, including but not limited to the Bribery Act 2010.

## 11. Affiliates

- 11.1 You accept the Engagement on your own behalf and on behalf of each of your affiliates (where they are receiving, or are a beneficiary of the Services). You shall ensure that each of your affiliates will act on the basis that they are a party to and bound by the Engagement. All references in the Engagement to "you" (and derivatives of it) shall mean you and each of your affiliates.
- 11.2 For the purpose of this Engagement "affiliates" means, in relation to a company, its subsidiaries and subsidiary undertakings and any holding company it may have and all other subsidiaries and subsidiary undertakings of any such holding company (as such terms are defined in the Companies Act 2006). In addition to the forgoing, in reference to Marsh the term "affiliates" shall include Marsh & McLennan Companies, Inc. and all of its subsidiaries. As the term applies to you, "affiliate" shall also include your partners and co-ventures to whom we or any of our affiliates may assume a responsibility as a consequence of the provision of the Services or any additional services.

## 12. General

- 12.1 The Engagement may only be amended by written agreement signed by each party.
- 12.2 Except as set out in the Engagement, a person who is not a party to the Engagement, has no rights to enforce or to enjoy the benefit of any term of the Engagement by virtue of the Contracts (Rights of Third Parties) Act 1999.
- 12.3 Neither party will have any liability for any failure or delay in performing their obligations because of a force majeure event. Force majeure means an event beyond the reasonable control of a party.
- 12.4 We only place bonds with insurers that meet our minimum financial standards, unless a client provides specific instructions to the contrary. We do not guarantee the solvency or continuing solvency of any insurer and you should note that the financial position of an insurer can change. If an insurer ceases trading we will do our best to assist our clients, but you should note that in those cases of insurer insolvency where we have a Risk Transfer agreement with the insurer, premiums held by us will be deemed to have been paid to that insolvent insurer and therefore cannot be returned to clients. Similarly, claims monies held by us may be returnable to the insolvent insurers or their liquidators, rather than our clients.
- 12.5 Marsh shall not provide insurance or reinsurance broking, risk consulting, claims or other services or provide any benefit to the extent that the provision of such services or benefit would violate applicable law or expose Marsh or its affiliates to any sanction, prohibition or restriction under UN Security Council Resolutions or under other trade or economic sanctions, laws or regulations.
- 12.6 If any provision of the Engagement is prohibited or unenforceable or is found to be invalid, illegal or unenforceable by a court or any other competent authority, that provision shall, to the extent required, be deemed deleted and the validity and enforceability of the other provisions of the Engagement shall not be affected.
- 12.7 The Engagement sets out the entire understanding of the parties in relation to the matters that it deals with and supersedes and invalidates all previous letters, agreements and understandings (oral or written) in relation to those matters.
- 12.8 Any failure or delay in exercising any rights under the Engagement shall not constitute a waiver of such rights.
- 12.9 Marsh & McLennan Companies Inc. and its subsidiaries (including Marsh) own equity interests and have contractual arrangements with certain insurers and wholesale brokers. Information regarding these arrangements can be provided to you in paper form upon request from any member of your service team, or is available at the following web address:

<https://www.marsh.com/uk/about-marsh/leading-the-way-in-transparency.html>

## 13. Governing law and jurisdiction

- 13.1 The Engagement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law and any disputes related thereto shall be subject to the exclusive jurisdiction of the English courts.
- 13.2 The bond will be governed by the law and courts of the jurisdiction in which it is issued.



Chartered

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