

# Taishan Insurance Brokers Limited

## *Standard Terms and Conditions*

## CONTENTS

<b>1. Introduction</b>	<b>3</b>
<b>2. Definitions</b>	<b>3</b>
<b>3. Placing Services</b>	<b>3</b>
<b>4. Duty of Disclosure</b>	<b>4</b>
<b>5. Payment of Premiums</b>	<b>4</b>
<b>6. Claim Services</b>	<b>5</b>
<b>7. Conflict of Interest</b>	<b>6</b>
<b>8. Remuneration</b>	<b>6</b>
<b>9. Method of Payment</b>	<b>7</b>
<b>10. Confidentiality</b>	<b>7</b>
<b>11. Use of Sub-Agents</b>	<b>7</b>
<b>12. Communications</b>	<b>8</b>
<b>13. Complaints</b>	<b>8</b>
<b>14. Further Information</b>	<b>8</b>

## **1. INTRODUCTION**

- 1.1 Taishan Insurance Brokers Limited is an authorized insurance broker under the Insurance Companies Ordinance, Cap. 41 of the Laws of Hong Kong. We have been a member firm of CIB (Membership No. 111) since 1994 and are regulated by the Hong Kong Confederation of Insurance Brokers.
- 1.2 We are risk management and insurance consulting firm fulfilling a comprehensive range of insurance requirements for both commercial and industrial sectors through customized products and solutions. We provide insurance placing and claims related services as an intermediary and insured's agent. Our aim is to deliver insurance solutions which will satisfy your needs as well as in a professional and expeditious manner.
- 1.3 These Standard Terms and Conditions ("STC") set out the terms and conditions on which we agree to act for you and contain details of our responsibilities together your responsibilities both to us and to underwriters. Unless otherwise determined by us or stated in a more specific agreement, these STCs shall apply to all services provided or offered by us and all contracts of insurance which we arrange on your behalf. YOU ARE ADVISED TO READ THESE STC CAREFULLY.

## **2. DEFINITIONS**

- 2.1 References to "TIB", "we", "us" or "our" are references to Taishan Insurance Brokers Limited.
- 2.2 References to "you" or "your" are references to you as an individual, a company or other legal entity (as the case may be) that engages our services.
- 2.3 "claim" includes an incident which may give rise to a claim, as appropriate to the insurance.
- 2.4 "insurance" include reinsurance and other risk transfer products.
- 2.5 "the insurance" means each contract of insurance that we arrange on your behalf.
- 2.6 "underwriter" includes any insurer, reinsurer or other category of risk bearer.

## **3. PLACING SERVICES**

### **3.1 Understanding Your Needs**

We offer products from a wide range of underwriters and we wish to establish a proper understanding of your requirements for insurance before negotiations with any underwriter commence. We will assign one or more brokers and relevant supporting personnel as your primary contact(s) who will assist where necessary in the gathering and collation of material risk information for submission to the underwriters.

### **3.2 Quoting and Placing**

- 3.2.1 We will seek on your behalf from underwriters competitive quotations and/or indicative packages for insurance and coverage structures that protect against the proposed risk(s) as efficient as possible. We will advise you of the terms offered by the underwriters so as to enable an informed decision be made by you on whether and how you wish to proceed with the insurance.
- 3.2.2 We assess underwriters and their market security with whom we place business, using public information including that produced by recognized rating agencies. We do not, however, guarantee or otherwise warrant the solvency of any underwriter or market which we select for your decision making. The decision regarding suitability of any underwriter or market rests with you. If you have any concerns regarding any underwriters or market chosen for your insurance requirements you must advise us as soon as possible. We may provide you with the public information of the underwriter concerned available to us and discuss them with you.
- 3.2.3 We will advise you and, if applicable, make a recommendation to you upon the most appropriate underwriter after we have assessed your needs. This will include the type of cover you require together with the costs involved.

- 3.2.4 We will implement your instructions and, subject to an available insurance market and practicality of the timing, place all of the required insurance before the intended date of inception, renewal or extension. We will keep you informed of the progress and seek your further instructions whenever required. We shall assume unless you confirm the contrary in writing, you have authorized us to agree the terms and conditions of the insurance policy with underwriters consistent with your instructions. We will advise you of any inability to place your insurance.

### **3.3 Documentation**

- 3.3.1 For placing certain classes of insurance you may be required to complete a proposal form, questionnaire or similar documents ("Placing Documents"). We will provide guidance if needed but we are not in a position to and shall not complete the document for you. In most cases, the information you provide in the Placing Documents will be the basis of or form part of the insurance policy.
- 3.3.2 We will notify you by email, letter or other agreed means of communication upon the completion of the insurance arrangements. You shall not rely on any insurance policy you have instructed us to place until we have confirmed in writing to you that the underwriter has agreed to such insurance cover being in place.
- 3.3.3 You may be provided with a broker's evidence of insurance, i.e. a summary of the terms of any insurance placed on your behalf and identities of the underwriter(s) with whom it has been placed. However, this document is not a proof of insurance coverage and you are advised to refer to the insurance policy / certificate.
- 3.3.4 It is your responsibility to read all documentation carefully upon receipt, including but not limited to the insurance policy/ certificate issued by the underwriter setting out comprehensively the terms of insurance. You shall satisfy yourself that it is entirely in accordance with your understanding and instructions.
- 3.3.5 You shall comply with the terms and conditions of the insurance policy, failing which you may risk the policy being avoided or repudiated, and/or a loss you suffer or a claim you make not being indemnified or being denied in part or in full.

### **3.4 Notification of Changes and Amendments**

- 3.4.1 If you require any amendment to the terms of the insurance policy after inception, you should advise us in writing at the earliest opportunity, specifying the required changes and enclosing any relevant supporting information.
- 3.4.2 Any amendments are subject to acceptance by the underwriter or any additional terms imposed or additional premium requested by the underwriter. Please also note your continuous duty of disclosure highlighted in Section 4 below.

## **4. DUTY OF DISCLOSURE**

- 4.1 We wish to draw your attention to your duty of disclosure and the severe consequences of its breach.
- 4.2 You are under a duty to provide the underwriter all information that would influence an underwriter in deciding whether or not to accept a risk and the terms and conditions that would apply. The duty of disclosure is not only relevant when placing, renewing, extending or amending any insurance, it is also a continuing duty throughout the life of any policy. When you are in doubt as to whether a fact is relevant, you should disclose it and then ask for guidance.
- 4.3 In the event that there is a breach of the duty of disclosure, including without limitation to provision of any incorrect, inaccurate, misleading and/or incomplete information, in Placing Documents or otherwise, to the underwriter, the underwriter may have the right to avoid the insurance from its commencement, deny any claims and seek recovery of any claims already paid by them under the insurance.

## **5. PAYMENT OF PREMIUMS**

- 5.1 We will issue a premium debit note or invoice indicating the gross premium charged by the underwriters for the insurance and the net amount of premium payable to us.
- 5.2 Any insurance premium tax, duty or other charge which is payable in addition to the premium and which

needs to be remitted to the appropriate authority by the underwriters, or which is allowed by the underwriters to be deducted from the premium payable will be indicated on this premium debit note. If a tax, duty or other charge is allowed to be deducted by you from the premium payable, then it is your responsibility to ensure that it is remitted to the appropriate authority.

5.3 In order for us to meet the payment terms of the underwriter(s), insurance premiums must be received by us on or before the due dates specified in the relevant premium debit note.

5.4 We have no obligation to fund any premium, tax, duty or other charge (if applicable) on your behalf nor shall we be responsible for any loss you may suffer as a result of cancellation of insurance cover or any other prejudicial steps taken as a result of late payment howsoever attributable to you.

5.5 We are entitled to set off any amounts due to us from you against any amounts which we may receive on your behalf, e.g. claim monies and refunded premiums without notice.

## **5.6 Receipt and banking of premiums**

5.6.1 Any money received by us from you whether for premiums or otherwise, will be held on your behalf in a separate client account until forwarded to the underwriter(s).

5.6.2 In some circumstances we may receive money from you that is held by us as an agent for the underwriter. In these circumstances we will advise you of this when we issue a debit note requesting payment.

5.6.3 Any commissions due to us will be due and payable upon receipt of premium from you unless we specifically agree otherwise in writing. Commissions will be withdrawn from the separate client account within 25 working days of receipt, whether or not we have paid the premium to the underwriter.

5.6.4 Any interest arising on premiums held on the separate client account before they are paid to the underwriter will be retained by us.

## **6 CLAIM SERVICES**

### **6.1 Scope of Service**

We will provide you with claims related services in relation to your insurance only to the extent that you wish to receive any of them and until such time as you decide to terminate or not maintain our appointment to act as your agent in relation to the insurance or any subsequent renewal of the insurance.

### **6.2 Service Fees for Claim Services**

6.2.1 The remuneration we earn by way of brokerage commission or fee in placing any new or renewal insurance on your behalf covers only the provision of placing services. Our brokerage / commission would not generally include any consideration for us providing you with claims related services, which you may require at a later date in connection with the insurance. Therefore, claims related services in relation to the insurance may be subject to separate remuneration of our claims related fees and disbursements.

6.2.2 We will advise you the fee rates for the provision of any claims-related services in writing where they apply. Such fee rates may be subject to periodic change by us in order to reflect the future cost of providing these claims related services.

6.2.3 Our claims related service fees and disbursements will be invoiced to you periodically and will be due and payable (without deduction or any set off) within thirty (30) days of your receipt of our invoice.

### **6.3 Notice of Claim and Assessment**

6.3.1 You shall advise us as your agent in writing (for the attention of our Claims Department) the details of any and all claims that may be notifiable under the insurance policy without delay, unless the insurance policy or certificate requires claims to be notified directly to the underwriter or to another party. Upon receipt of a claim notice from you, we will undertake a thorough assessment of the claim. If we consider that notification to underwriters is not required, may limit the right of recovery under the insurance or is deficient in any way, we will promptly explain to you the position and seek your further instructions.

- 6.3.2 Subject to the above, we will notify the applicable underwriter promptly and communicate to you any information, comments or advices received from the underwriter.

#### **6.4 Negotiation and Settlement**

We will diligently pursue settlement and, where applicable, the collection of any claim under the insurance and seek to secure on your behalf as full a recovery as is reasonably possible of any insured losses/claims within the terms, conditions and limitations of the insurance. We will not settle or agree the amount of any claim settlement without your prior approval. Where applicable, we will provide you with written confirmation of the acceptance of the claim and the amount of the settlement agreed by the underwriter.

#### **6.5 Maintenance of Records**

We will maintain record of all material particulars relating to the notification, processing and resolution of claims under any insurance for which we provide you with claims related services for seven years or the minimum period of time as required under the law, whichever is the longer.

### **7. CONFLICT OF INTEREST**

#### **7.1 Services for Underwriters**

- 7.1.1 In relation to the claims process, we may provide, where there is no conflict of interest in us doing so, and may be separately remunerated for limited services to the underwriter, including but not limited to, claims handling and record retention for the underwriter and, in relation to surveyors, adjusters, lawyers, recovery agents and other third parties appointed by or on behalf of the underwriter. This may include relaying instructions from the underwriter, disseminating reports and collecting fees or other disbursements. These latter services may also be provided to the underwriter during the placing process.
- 7.1.2 In providing any services to the underwriter described above, where a conflict arises, we will refrain from performing any further services of a like nature for the underwriter unless you have agreed otherwise in writing.
- 7.1.3 We may also receive commission (including without limitation to profit / portfolio commission (if any) as more particularly described in Section 8.2.3 below) from underwriter(s) for placing insurance with them, and which amount may be grossed up in the gross premium charged under a premium debit note or invoice issued to you and deducted by us before remitting the net premium to the relevant underwriter(s).

#### **7.2 Conflicting Interest of Clients**

- 7.2.1 Where we act as agent for two or more clients involved in the same or a related loss situation, we will advise the clients involved of any conflicting interests and take immediate steps to segregate the claims servicing function provided to each of the involved clients. These steps will normally include the assignment of a different broker and/or support personnel to represent the claim interests of each involved client and the establishment of direct communication procedures.

### **8. REMUNERATION**

- 8.1 In general, we are remunerated for our placing services by way of commission or fee payable by insurers as more particularly specified in this Section below.
- 8.2 Our principal remuneration for our placing services will be either by way of brokerage commission, being a proportion of the premium paid which is allowed to us by the underwriter for introducing the insurance to them, or a fee agreed with you. We shall provide written details of the remuneration received by virtue of our acting as your agent upon request. Your instruction to proceed with placing of insurance shall constitute your consent to our receipt of such commission and/or fee from the underwriter.
- 8.3 In addition to the above, you should be aware that as a result of arranging the insurance, we and/or other subsidiaries of Kerry Logistics Network Limited may receive additional income from the following sources:
- 8.3.1 Interest earned on insurance monies passing through our bank accounts.

- 8.3.2 Expense allowances from underwriters for managing and administering certain lineslips, covers, binding authorities and other similar facilities, including claims which may arise thereunder, all of which we believe to enable more efficient service and competitive terms to be provided to those clients for whom we consider the use of such facilities appropriate.
- 8.3.3 Commissions by underwriters for placing insurance with them, which may include Profit / Portfolio commissions that can be based on profitability, premium income volume and/or growth, payable by the underwriter to reflect our processing services or efficiencies, across a portfolio of business placed with a particular underwriter.
- 8.3.4 Administrative service fees which may be paid for limited services we provide to the underwriter(s) or you as part of the placing process including premium billing, collection, remittance and credit control, policy document compilation, record retention and electronic system fees.
- 8.4 We may have arranged or be requested to arrange facultative or treaty reinsurances for the underwriter with whom we effect the insurance. These reinsurances are separate and distinct contracts where we act as the agent (or sub-agent) for the underwriter concerned and for which remuneration may be paid separately by the underwriter or their reinsurer.

## **9 METHODS OF PAYMENT**

- 9.1 You should settle premiums or any other sums due pursuant to any Insurance contract placed by us on your behalf on an individual debit note or credit note basis unless we have agreed otherwise with you. Statements of Account are issued periodically where there are monies due for payment to us and we may have monies on account that are owing to you.
- 9.2 All payments should be made in the same currency in which they have been invoiced to you and be made net of all bank and transfer charges and withholding and other applicable taxes, if any.
- 9.3 Payments to us should be made preferably by telegraphic transfer to our appropriate segregated client bank account (as detailed on the debit note issued to you) together with a remittance advice transmitted promptly to your usual TIB contact showing the policy reference our transaction number(s) and the amount(s) being paid. This will enable us to identify promptly, upon receipt of a premium payment, to which underwriter(s) we are to remit funds. Wire transfers should be made payable to TIB and to the relevant bank account with number and details provided.
- 9.4 Where telegraphic transfer is not appropriate or available, a crossed cheque or account payee only bank draft, made payable to Taishan Insurance Brokers Limited should be sent to our office.

## **10. CONFIDENTIALITY**

We will take all reasonable and appropriate steps to maintain the security of your confidential documents and information that are in our possession. Any information which you provide to us will not be used or intentionally disclosed by us to any other parties except for the purposes and in the normal course of negotiating, maintaining or renewing the insurance, or for handling any claims thereunder, unless (a) we have obtained the necessary consent from you; (b) we are required to disclose the information by a court of competent jurisdiction or government or regulatory body having the requisite authority over us; or (c) the information is already in the public domain or has been received by us from a third party not under any duty of confidentiality.

## **11. USE OF SUB-AGENTS**

- 11.1 Where we consider it appropriate and for your benefit, we may request another specialist or local insurance broker or intermediary to act as our sub-agent and assist us in the placement or servicing of the insurance.
- 11.2 This may involve the transfer of your premium to another broker or settlement agent for the purpose of effecting the transaction. The legal and regulatory regime applying to a broker or settlement agent outside of Hong Kong may differ and, in the event of a failure of the broker or settlement agent, the amount so paid by you may be treated in a different manner.

- 11.3 By instructing us, you confirm our authority to appoint such sub-agents on your behalf as and when appropriate. In such cases, we will provide specific instructions to our appointed sub-agents so as to meet your insurance requirements.

## **12. COMMUNICATIONS**

Email communication is our preferred method of communication and for any important messages we will use email tracking and request a delivery and read receipt. We would be grateful if you could do the same. If you choose to communicate with us by email, please remain aware that there can be issues on system integrity and receipt, confidentiality, legality in certain jurisdictions and viruses. Please let us know if you prefer other methods of communication.

## **13. COMPLAINTS**

- 13.1 If you have a complaint regarding our practices or performance under these STC, please contact our General Manager at Taishan Insurance Brokers Limited in Hong Kong or by email to [contact@tib.kln.com](mailto:contact@tib.kln.com).
- 13.2 Our General Manager, who is responsible for maintaining and overseeing the quality of our services and compliance with the laws and regulatory practice codes applicable to us, will investigate the matter fully, respond to you in detail and, where the complaint is considered valid, endeavour to ensure that necessary actions are taken to resolve your complaint. A copy of our internal complaints handling procedures are available on request.
- 13.3. If you are unhappy with our response or alternatively, if after twelve weeks your complaint remains unattended to by our General Manager, you can request from us details of regulatory bodies, ombudsmen and other independent bodies to whom complaints can be forwarded directly.

## **14. FURTHER INFORMATION**

- 14.1 Further information in relation to Taishan Insurance Brokers Limited can be found on our website [www.tib.kln.com](http://www.tib.kln.com).
- 14.2 Information on the Hong Kong Confederation of Insurance Brokers is available on [www.hkcib.org](http://www.hkcib.org).