Changes made to your existing Tradesman Tools insurance policy

Changes you need to know about before you renew your policy

This notice tells you about changes to your policy which will take effect from your renewal date as shown on your schedule. Please ensure you read the changes carefully (together with your policy booklet) , as they will form part of your contract of insurance, and keep them together with your other policy documents.

Insurance Act 2015

The Insurance Act 2015 comes into force on 12th August 2016 and applies to all policies governed by the laws of England and Wales, Scotland and Northern Ireland that are entered into or varied on or after that date. The key elements of the Act are as follows:

- **A new duty of fair presentation of your risk details**

  The Act defines a new structured approach of how details of your business should be presented to us at each renewal or variation of your policy (the duty of fair presentation). Your primary duty is still to tell us about all information you know or ought to know that would affect our judgement in deciding whether to write your cover, and on what terms. Failing that, you must give us enough information so that we know that we need to ask further questions. The Act sets out whose knowledge within your business should be sought and the sort of information you ought to know. The Act also requires that you provide the information in a suitable manner.

- **Changes in the way non-disclosure or misrepresentation of your risk details are dealt with**

  If a fair presentation is not made, the Act introduces a system of proportionate remedies based on what we would have done had a fair presentation been made. We will still be able to avoid (i.e., cancel from its start date) a policy (and retain the premium) if the failure to make a fair presentation was deliberate or reckless.

  For other cases, what we may do depends on how we would have acted had we been provided with the correct details. So, if we would not have provided any cover, we may avoid the policy and refund the premium. If we would have charged a higher premium, we may proportionately reduce any claim. If we would have required different terms in the policy, it will be treated as though it contains those terms.

- **Removal of basis of contract clauses**

  Basis of contract clauses are no longer allowed. These have the effect of turning information a customer provides to an insurer into warranties, which in turn means that if that information turns out to be incorrect then the policy is automatically terminated, even if trivial or immaterial to the risk.

- **Revised remedies for breach of certain policy terms**

  The Act changes the way that certain customer obligations operate within a policy. Where the failure to fulfil the obligation used to result in us having no liability, now it will lead to a temporary suspension of cover for the period that the obligation is not being met. However,

once the obligation is being fulfilled, cover will be provided again. In addition, where there has been non-compliance with a term which would tend to reduce the risk of a particular type of loss, then we won't refuse any claim if you can show that the non-compliance could not have increased the risk of the loss that actually occurred.

- **Changes in the way fraudulent claims are dealt with**

  If a fraudulent claim is made, we won't be liable to pay the claim (including any honest element of the claim) and we may recoup any amount we have paid out on that claim. We may also cancel the policy from the point when the fraudulent act was committed, but we will still be liable for any losses before that point.

  Where the insurance is on a group insurance basis (and so provides cover to a number of persons), the new way of handling fraud will apply only to the person who committed the fraudulent act, and won't affect cover for the others.

Please speak to your insurance adviser if you have further questions on how the Act affects your business.

Changes to your policy

We have made the following changes to your policy wording to reflect the new Act.

Your existing Contract of Insurance wording is replaced as follows:

The Contract of Insurance

Your policy wording, the information you have provided and/or the application form, the statement of fact, the policy schedule, or notice issued by us at renewal and any endorsement together form the contract of insurance between us and you, and must be read together.

In return for you having paid or agreed to pay the premium, we will insure against loss, damage, liability or expense set out in this policy, to the extent of and subject to the terms contained in or endorsed on this policy.

Important

This policy is a legal contract. You must tell us about any material circumstances which affect your insurance and which have occurred either since the policy started or since the last renewal date.

A circumstance is material if it would influence our judgement in determining whether to provide the cover and, if so, on what terms. If you are not sure whether a circumstance is material ask your insurance adviser. If you fail to tell us it could affect the extent of cover provided under the policy.

You should keep a written record (including copies of letters) of any information you give us or your insurance adviser when you renew this policy.

The following wording has been removed:

Warranty

A warranty must be strictly complied with and failure to do so may result in Our liability being discharged as from the date of the breach of warranty for loss, damage or expense whether or not this resulted from the breach of warranty.

Section 2 –General Conditions

The following condition is added:

Fraud

If a claim made by You or anyone acting on Your behalf is fraudulent or fraudulently exaggerated or supported by a false statement or fraudulent means or fraudulent evidence is provided to support the claim, We may:

(a) refuse to pay the claim,
(b) recover from You any sums paid by Us to You in respect of the claim,
(c) by notice to You cancel the policy with effect from the date of the fraudulent act without any return of premium.

If We cancel the policy under (c) above, then We may refuse to provide cover after the time of the fraudulent act. This will not affect any liability We may have in respect of the provision of cover before the time of the fraudulent act.

If this policy provides cover to any person other than You and a claim made by such person or anyone acting on their behalf is fraudulent or fraudulently exaggerated or supported by a false statement or fraudulent means or fraudulent evidence is provided to support the claim, We may:

(a) refuse to pay the claim,
(b) recover any sums paid by Us in respect of the claim (from You or such person, depending on who received the sums or who benefited from the cover provided),
(c) by notice to You and such person cancel the cover provided for such person with effect from the date of the fraudulent act without any return of premium in respect of such cover.

If We cancel a person's cover under (c) above, then We may refuse to provide cover after the time of the fraudulent act. This will not affect any liability We may have under such cover occurring before the time of the fraudulent act.

Your existing Non Disclosure, Misrepresentation or Misdescription policy condition is replaced as follows:

Non Disclosure, Misrepresentation or Misdescription

1. Before this policy was entered into

If You have breached Your duty to make a fair presentation of the risk to Us before this policy was entered into, then:

- where the breach was deliberate or reckless, We may avoid this policy and refuse all claims, and keep all premiums paid;

- where the breach was neither deliberate nor reckless, and but for the breach:

  - We would not have agreed to provide cover under this policy on any terms, We may avoid this policy and refuse all claims, but will return any premiums paid

  - We would have agreed to provide cover under this policy but on different terms (other than premium terms), We may require that this policy includes such different terms with effect from its commencement, and/or

- We would have agreed to provide cover under this policy but would have charged a higher premium, Our liability for any loss amount payable shall be limited to the proportion that the premium We charged bears to the higher premium We would have charged, as outlined in Schedule 1 to the Insurance Act 2015.

2. Before a variation was agreed

If You have breached Your duty to make a fair presentation of the risk to Us before any variation to this policy was agreed, then:

• where the breach was deliberate or reckless, We may cancel this policy with effect from the date of the variation, and keep all premiums paid;

• where the breach was neither deliberate nor reckless, and but for the breach:

- We would not have agreed to the variation on any terms, We may treat this policy as though the variation was never made, but will return any additional premiums paid

- We would have agreed to the variation but on different terms (other than premium terms), We may require that the variation includes such different terms with effect from the date it was made, and/or

- We would have agreed to the variation but would have increased the premium, or would have increased it by more than We did, or would not have reduced it or would have reduced it by less than We did, Our liability for any loss amount payable shall be limited on a proportionate basis, as outlined in Schedule 1 to the Insurance Act 2015.

This condition operates in addition to any provisions relating to underinsurance in this policy.

Breach of Term / Terms not relevant to the actual loss

We have introduced the following to confirm that your policy wording aligns with the Act in terms of application of warranties/conditions:

Breach of Term

We agree that where there has been a breach of any term (express or implied) which would otherwise result in us automatically being discharged from any liability, then such a breach shall result in any liability we might have under this policy being suspended. Such a suspension will apply only from the date and time at which the breach occurred and up until the date and time at which the breach is remedied. This means that we will have no liability in respect of any loss occurring, or attributable to something happening, during the period of suspension.

Terms not relevant to the actual loss

Where there has been non-compliance with any term (express or implied) of this policy, other than a term that defines the risk as a whole, and compliance with such term would tend to reduce the risk of:

• loss of a particular kind, and/or
• loss at a particular location, and/or
• loss at a particular time,

then we agree that we may not rely on the non-compliance to exclude, limit or discharge our liability under this policy if you show that non-compliance with the term could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

We have also introduced the following changes:

Contact details for Claims and help and Section 7 –Claims Procedure

The Aviva contact details are now as follows and not as stated in your policy:

Marine Claims Manager
Aviva
4th Floor
The Observatory
Chapel Walks
Manchester

M2 1HL

Tel: 0161 931 8424 or 0161 931 8429
Fax: 0161 931 8011
E-mail: marine.claims@aviva.com

Complaints Procedure

The Complaints Procedure is restated as follows:

Complaints Procedure

Our Promise of Service

Our goal is to give excellent service to all Our customers but We recognise that things do go wrong occasionally. We take all complaints We receive seriously and aim to resolve all Our customers' problems promptly. To ensure that we provide the kind of service You expect We welcome Your feedback. We will record and analyse Your comments to make sure We continually improve the service We offer.

What will happen if You complain

• We will acknowledge Your complaint promptly.
• We aim to resolve all complaints as quickly as possible.

Most of Our customers' concerns can be resolved quickly but occasionally more detailed enquiries are needed. If this is likely, We will contact You with an update within 10 working days of receipt and give You an expected date of response.

What to do if You are unhappy

If You are unhappy with any aspect of the handling of Your insurance We would encourage You, in the first instance to seek resolution by contacting Your usual point of contact to review the problem.

If You are unhappy with the outcome of Your complaint You may refer the matter to the Financial Ombudsman Service at:

The Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Telephone:
0800 023 4567 (Calls from UK landlines and mobiles are free) or
0300 123 9123

Or simply log on to their website at www.financial-ombudsman.org.uk.

Whilst We are bound by the decision of the Financial Ombudsman Service, You are not. Following the complaints procedure does not affect Your right to take legal action.

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