COWBRIDGE (ANCIENT BOROUGH) with
LLANBLETHIAN TOWN COUNCIL
CYNGOR TREF
Y BONTFAEN (Bwrdeistref Hynafol) gyda
LLANFLEIDDAN

FINANCE & GOVERNANCE COMMITTEE MEETING

Tuesday 3rd September 2024

Cyber Insurance Quote

1. Introduction

1.1 Zurich Insurance, the Council's main insurer, does not provide cyber insurance so currently the Council has no cover. So, if it falls victim to a cyber-attack, it is open to incurring considerable costs, tens of thousands of pounds in the following areas:

Direct Costs

- ***Data recovery and restoration:*** This includes the costs of IT experts, software, hardware, and potential data loss.

- **Legal and forensic expenses:** Investigating the attack, complying with data breach regulations, and potential litigation.
- **Public relations and crisis management:** Managing the reputation and customer trust.
- **Ransom payments:** If the attack involves ransomware, this can be a significant cost.

Indirect Costs

- **Lost revenue:** Business disruptions due to system downtime or damaged reputation.
- **Customer churn:** Loss of customers due to data breaches or service interruptions.
- **Increased insurance premiums:** Higher premiums after a cyber-attack.
- **Employee productivity loss:** Time spent dealing with the aftermath of the attack.

Long-Term Costs

- **Damaged reputation:** Loss of trust and customer loyalty can have long-term financial implications.
- **Regulatory fines:** Non-compliance with data protection regulations can result in substantial penalties.

1.2 The points below seek to quantify these risks in the context of the Town Council Ito inform the decision on whether to take out Cyber Insurance:

I. A report by insurance provider Hiscox estimated that UK small businesses are targeted with 65,000 cyber-attacks per day. And that over 4,500 of these attacks are successful. This means that a small business is successfully breached every 19 seconds.

II. Cyber security incidents on average cost small businesses, like the Town Council £25,700 in direct costs (e.g. ransoms paid, and hardware replaced) but this is just the beginning. Indirect cost such as damage to reputation, the impact of losing customers and difficulty attracting future customers, remains unmeasured but is expected to significantly exceed this.

III. If there are data breaches the Town Council can face fines from the Information Commissioner (ICO) of up to 4% of turnover, circa £15,000 for the Town Council. However, this level of fine is unlikely, if a fine was imposed at all it would likely to be much less around £2,000. Again, a cost covered by the insurance. If no fine was issued the reputational damage because of the ICO publishing any action taken against the Town Council, cannot be negated by insurance. But advice from the insurers as to how best protect our systems will reduce this risk. Currently the main personal data held, beyond Councillors details, are 1,370 Scribe records, 210 general mainly related town hall lettings and 1,160 cemetery records. In Scribe's terms and conditions, they do not warrant that the software is virus free, and the Town Council has an obligation not to introduce viruses into the system. Any successful attack on either party will lead to litigation and the legal cost will be covered by the insurance policy

1.3 The rest of the report and appendices sets out details of a cyber insurance quote that has been obtained er through a broker, Butterworth Spengler. The quote is from CFC, one of the leading cyber insurance underwriters.

1.4 Full details of the cyber package quote from Butterworths's are detailed at Appendix 1, details of CFC terms are shown at Appendix 2 and Appendix 3 provides a summary of cover.

2. Quote, Summary of Cover and Budget

2.1 The total cost of the premium is as follow:

Premium excl. IPT:	1,630.00
IPT:	195.60
Admin Fee:	60.00
Insurer Fee:	150.00
Total:	**£2,035.60**

The quote was received on 27th June and is only valid for 30 days so the broker has been asked if CFC will honor the quote if accepted in September. The outcome of this request will be reported to the Committee at the meeting.

2.2 The summary of the cover is as follows:

Summary of Cover: Sum Insured (£)	
Cyber	1,000,000
Breach Response and Crisis Management	1,000,000
Extortion	1,000,000
Multimedia Liability	1,000,000
Network Security and Privacy Liability	1,000,000
Business Interruption	1,000,000
Voice/Telephony	250,000
Social Engineering Fraud	250,000
Crime	250,000

The current budget for insurance is £8,000 and the Zurich renewal was £7,875 so there is just £175 left in the budget. So, if the Committee was to approve taking out Cyber insurance based on the quote received there will be an overspend on the insurance budget of £1,860.

2.5 Therefore the Committee if considers taking out this insurance it will be necessary to seek council approval for additional funds or find savings from other budgets.

3. Recommendations

3.1. The Committee approves taking out Cyber Insurance with CFC subject to the Town Clerk finding savings elsewhere in the budget to fund the overspend against the insurance budget.

Butterworth Spengler

Mr Malcolm Wilson
Cowbridge with Llanblethian Town Council
Town Hall
21 High Street
Cowbridge
South Glamorgan
CF71 7AD

Our Ref: 82428477
27th June 2024

Dear Malcolm

Cyber Package Quotation – Quote Ref 650682771

Thank you for contacting us for a quote for your Cyber Package insurance.

Based on the information provided, we are recommending a policy with CFC Underwriting Ltd, the total annual premium including Insurance Premium Tax (IPT) and any fees is £2,035.60. This quote is for a 12 month policy, and the quote is valid for 30 days with effect from today. A full breakdown of this premium is shown in the report below.

Next Steps:

- ✓ **Review the Policy Cover**
- ✓ **Check Your Documents**
- ✓ **Review Our Terms of Business, Privacy and Data Protection Notice**
- ✓ **Confirm Cover**

Please review the information shown in the report below this letter, together with the insurer documents provided, to ensure that the cover meets your requirements.

It is important that the information you provide is accurate. If any of the information contained within this document, or the insurer documents, is incorrect or needs updating, please let us know immediately so we can review the risk and the suitability of this policy.

If you have any questions regarding any of the information we have sent to you, or you wish to discuss any aspect of this quotation, please do not hesitate to contact us.

We look forward to receiving your confirmation of the date you require the cover to start.

Yours sincerely,

M. Handley

Mark Handley
Commercial Account Handler
Direct Dial - 01452 623644
Email - mhandley@butterworthspengler.co.uk

Requirements

We have identified your demands and needs based on the information detailed below:

Summary of Cover:

	Sum Insured (£)
Cyber	1,000,000
Breach Response and Crisis Management	1,000,000
Extortion	1,000,000
Multimedia Liability	1,000,000
Network Security and Privacy Liability	1,000,000
Business Interruption	1,000,000
Voice/Telephony	250,000
Social Engineering Fraud	250,000
Crime	250,000

Based on the information we have obtained from you, we have assessed that you require a Cyber Insurance policy including the following covers:

- First party liability to cover your own assets - Loss or damage to data, software programs, Business interruption from network downtime, Extortion, Crisis communication costs, Legal cost
- Third party liability to cover the assets of others - Security and privacy breaches, investigation, and defence costs which together with civil damages associated with them, Loss of third party data, including payment of compensation to customers for denial of access and failure of software or systems
- Cyber Crime - Social engineering, fund transfer fraud

Please refer to policy documents for full details, terms, conditions and exclusions.

Property Sums Insured

If your policy includes property insurance; cover is arranged based on the sums insured advised by you. It is your responsibility to ensure all building rebuild values and other property sums insured are adequate at the start of a policy period. We have seen a prolonged period of exponential increase in building material costs, and even policies with index linking applied cannot be guaranteed to represent up to date values.

As insurance brokers, we are not qualified to advise you on the adequacy of your sums insured, you should consider carefully whether professional valuations should be carried out and arrange them where necessary. It is also important to review values and indemnity periods under your Business Interruption coverage; supply of replacement materials/machinery may be delayed by global supply issues increasing lead in times to reinstate.

If any values selected by you are too low then average could be applied in the event of a claim, and any settlement reduced proportionately. This can be significant even for a relatively small claim.

Premium Summary

	(£)
Premium excl. IPT:	1,630.00
IPT:	195.60
Admin Fee:	60.00
Insurer Fee:	150.00
Total:	**£2,035.60**

Recommendation

This policy has been recommended as it meets your insurance requirements. Our recommendation is based on the information shown above and in the attached insurer documents. It is important that the information is reviewed to ensure all of the information is correct. If anything is incorrect, please advise us immediately as this could have an impact on your policy cover, terms, exceptions, and conditions.

In recommending this product and insurer we have taken the following into account:

- Their level of service.
- Premium Cost.
- Their expertise in this field.
- The length of time they have been established.
- Their insurance offering for your specific requirements.
- Their offering for this type of trade and insurance cover.
-

Market Selection – How We Made Our Decision

In sourcing this product we have approached a single insurer that we use for placement of this specific risk.

Whilst we have not sought alternative quotations, we believe the cover best meets your insurance requirements.

This is also based on market knowledge and experienced insurance professionals.

Our Capacity & Services

The following information is in relation to the insurances for which we are quoting and, where applicable, for which you have asked us to arrange cover.

		Cyber Package
Sourcing a suitable policy	We act as your agent	Yes
	We act as agent of the insurer	
Placing the insurance	We act as your agent	Yes
	We act as agent of the insurer	
In the event of a claim	We will act as your agent	Yes
	We will act as agent of the insurer	

Consumer Duty
We can confirm that we have put your needs first in recommending this insurance product to you.

We have identified the characteristics and features of the product and reviewed these against our understanding of your demands and needs to ensure that the product is suitable for you and meets your requirements. This included identifying the target market for the product and making sure that it provides fair value to customers in that target market. We continually identify any changes made to the product to ensure that it remains suitable for you.

Our Remuneration

You are entitled at any time to request information from us regarding remuneration we may receive as a result of placing your insurance.

Such remuneration may include an administration fee; a percentage of the premium you pay; a fee in lieu of any commission received from the insurer; a commission for arranging a premium finance facility for you; an amount paid to us directly from your insurer in relation to the growth and/or profitability of our account with them. We may also receive additional remuneration from some insurers for additional work and services we provide on behalf of, or to the benefit of Insurers where we have agreed ISB (Insurer Services Brokerage). Upon request, we will be pleased to provide details of any such remuneration.

If you would like specific details in relation to your policy, please do not hesitate to contact us and we can provide you with the information.

Your Responsibilities

The Duty of Fair Presentation

It is your responsibility to provide a fair presentation of the insurance risk based on you conducting a reasonable search for information. This could require you to obtain information from senior managers within your organisation or other parties to which the insurance relates or who carry out outsource functions for your business.

You must disclose every material circumstance which you know or ought to know, or failing that, disclose sufficient information to put your insurer on notice that it needs to make further enquiries. You must ensure that any information you provide is correct to the best of your knowledge and representations that you make in expectation or belief must be made in good faith.

If you fail to make a fair presentation of the risk this may result in additional terms or warranties being applied from inception of the policy or any claim payment being proportionately reduced.

In some cases, this could result in your policy being declared void by an insurer and your premiums returned. Any deliberate or reckless breach of the duty of fair presentation could result in your policy being declared void by an insurer with no refund of premium.

If in doubt about any point in relation to material circumstances and reasonable search, please contact us immediately.

Payment Options

- Debit or Credit Card

You can pay us via debit or credit card by providing your details over the telephone. There is no additional charge for debit or credit card payments.

- Instalments

Some insurers offer payment by direct debit and we can arrange payment via a finance facility (refer to 'Payment Options – Additional Important Information').

Please note, if you select to pay any premiums by instalments, we are unable to discuss these arrangements with you. You must refer any queries to the company the agreement is arranged with.

Please contact us if you want to discuss the options available.

- Direct to our Client Bank Account

If you wish to pay direct to our client bank account, please ensure you quote your/the business name or your client reference number on any payment made. Bank Details are shown below.

Account Name: Butterworth Spengler Commercial Ltd
Sort Code: 54-21-20
Account No: 23134518.

Payment Options – Additional Important Information

Our standard payment terms are payment upon receipt of invoice. This ensures we received your funds in time to settle our Insurer accounts which there are strict requirements.

Where Insurers offer any direct debit facility, we will provide you with this information where it applies. If you proceed on this basis the arrangement is between you and the insurer. If you fail to make payments or the agreement is terminated, then you may become immediately liable for any outstanding debt to your insurer and cover will cease.

We can also arrange payment via a finance facility. An illustration cost of your insurance, should you choose this method will be provided and include, the total cost being financed, details of your monthly direct debits, details of the credit charge being applied and the APR along with details of any additional charges applicable to the contract such as default charges.

Paying your premium by finance will mean that your policy is more expensive than if you were to pay the premium in full yourself. This method is subject to a credit application with our 3rd Party finance provider.

If your application for credit is successful, the finance provider will pay for your insurance premium in full and you will repay this by monthly Direct Debit. You will also be required to sign a credit agreement.

PLEASE NOTE:
Chaser Fee for not signing - A charge may be incurred if your finance provider is required to write to you to remind you to sign your credit agreement, details of the amount is available in their documents.

Right to Withdraw – If you do change your mind you can withdraw from the credit agreement free of charge within 14 days by contacting your finance provider directly. Any repayments you have already paid will be refunded and you will have to find an alternative way to pay for your insurance. If you cancel after 14 days, you may have to repay any money owed to your finance provider.

To ensure our insurers and credit providers have the necessary facts to assess your insurance risk, verify your identity, to help prevent fraud and to provide you with their best premium and payment options, they may obtain information from third parties at quotation and renewal and in certain circumstances where policy amendments are requested.

This information includes a quotation search from a credit referencing agency. This search will appear on your credit report and will be visible to other credit providers. It will be clear that this is a quotation rather than a credit application by you to pay by monthly instalments. This record will be visible to all third parties.

We are acting as the credit broker, where you choose to pay your premium by finances, we may receive a commission for introducing you to them. You are entitled, at any time, to request further information regarding the amount of any commission which we may have received as a result of facilitating placement with the finance provider.

All Direct Debits are protected by a guarantee, please ensure you read this in conjunction with the information from the finance provider.

In the event of a Non-Payment charges are applicable to the loan agreement with a minimum charge of £27.50. Full details of the charges applicable will be detailed in the Contractual Documents should you decide to proceed with the finance arrangement. The finance provider may also make an administration charge if you make a mid-term adjustment to your insurance policy/ies that results in a change to the amount of your finance agreement.

If you cancel your insurance policy mid-term, you may be required to pay any outstanding finance amount. This will be affected by the insurer cancellation terms under your insurance policy/ies.

Please note, if you select to pay any premiums by instalments, we are unable to discuss these arrangements with you. You must refer any queries to the finance provider.

Cancellation Refund Information

Please note if this policy is cancelled a pro-rata return (less any administrations fees) will be allowed, subject to no claims in the period of insurance. We will retain our fee and commission as per our terms of Business.

We do however recommend referring to the full cancellation terms provided in your Policy Wording.

If you require any assistance or clarification in this area, please do not hesitate to contact us.

In our opinion all this information combines to make this a suitable policy for you based upon the facts given by you and the accessible information we already hold about you.

Please check that all the information contained in this document is correct and complete, and contact us immediately if this is not the case.

Warning: This document is not intended to be a statement of cover.
Please refer to the insurer policy documents for this information.

Important Insurance Terms

Insurance policies can appear to be full of jargon with terms which are difficult to understand. Below we have attempted to explain these terms in plain English. However, if you do not understand any of the terms contained in your policy or the correspondence you receive please ask. We accept no legal liability for the information provided below or its interpretation.

Aggregate Limit of Indemnity

The maximum amount an insurer will pay under a policy in respect of all accumulated claims arising within a specified period of insurance.

Average

Normally this is a mathematical term but in an insurance policy it is a **penalty** that reduces your claim if the sum insured is not high enough. It never pays to scrimp on the sum insured. It is your responsibility to choose the sum insured.

The term 'subject to average' means that if the sum insured at the time of a loss is less than the insurable value of the insured property, the amount claimed under the policy will be reduced in direct proportion to the under-insurance. Also called 'average clause'.

Basis of Settlement

Insurers normally agree to settle claims on either a **Reinstatement** or **Indemnity** basis. Reinstatement is New for Old, but not better than when the item was new. Indemnity basis of settlement attempt to put you back in the same financial position as you enjoyed immediately before the loss and makes an allowance for wear and tear.

Conditions

Conditions are slightly different to warranties but breaching them will have the same effect as breaching a warranty. The policy may be treated as void from inception and no claims will be paid. Conditions will require you to do something or create a responsibility, but only apply to one section or area of a policy so breaching an unrelated condition will not result in the whole policy becoming void.

Conditions Precedent

Some conditions do impose a responsibility on you to have done something or completed something before a certain section of the policy will operate.

Excess (or Deductible)

This is the first part of a loss than insurer will not pay. You may have a compulsory excess, or you may choose one to reduce the premium.

General Condition of Average

If you do not insure for the full amount, then your claim may well be reduced. If you deliberately under insure then the insurer may have a right to avoid the policy from inception unless you tell them that the sums insured do not represent the full value of something at inception. If that is the case let us know and we may be able to arrange insurance on a special basis.

Gross Profit

Now more commonly referred to as "insurable gross profit" it is not the gross profit figure from your accounts. As a rough guide your gross profit sum insured should be in the region of turnover less purchases. Remember also to consider the level of turnover you might be experiencing one year from inception plus your chosen indemnity period. It could be much higher than your current turnover or the historical turnover from your accounts.

For the purpose of insurance, the gross profit sums insured should be calculated as follows:

• Turnover or sales	• Stock in hand and work in progress at the end of the year
• Minus	• Stock in hand and work in progress at the beginning of the year
• Specified working expenses	• Purchases (less discounts received)
• Discounts allowed	• Bad debts written off
• Carriage, package, freight	

Implied
Some warranties are implied. For instance, disclosure of all material facts is in effect a warranty. There is an implied warranty in that you must keep a building in a good state of repair and not leave it unoccupied or neglected.

Indemnity Period
This is the period after an insured event which it takes to get back to the position an insured would have been in if the loss had not occurred. **IT IS NOT** the period to get back up and running again. In the event of a total loss it is rare indeed that a business other than a professional or office-based business could get back to the position it would have been in just 12 months.

Insurable Interest
In simple terms, if anyone likely to lose money, property, or rights in the event of a loss wants to be paid out under the policy, then they must have their names mentioned on the policy. It is no good insuring a property owned by John in a policy owned by Sam unless there is a note in the policy making the ownership clear. If nothing is mentioned, then the insurer will assume that everything is owned by the policy holder.

Material Fact
Is a fact that would influence an underwriter in either accepting or declining a risk, and if accepting at what premium. Basically, if you think that by giving an underwriter some information it may increase the premium or prevent them providing insurance then it is probably material and you must advise us of the information.
You have a continuing duty not only at inception and renewal but throughout the life of the policy to declare to Insurers any changes which may be regarded as a **Material Fact.**

A Material Fact is one which would influence an Insurer whether to continue to the cover the risk and/or the premium to be charged. ***Failure to disclose a Material Fact could result in your claim being turned down and/or your policy voided.***
Whilst you can read the policy wording to understand your part of the contract an Insurer has to rely totally upon the information you provide to decide whether they wish to insure you or continue to insure you and the premium to be charged.

Non-Disclosure
Failing to advise an insurance company or underwriter of a Material Fact. This could result in your insurance becoming void and an insurer not paying out a claim

Rebuilding Costs (or Reinstatement Costs)
The sum insured for Buildings insurance should reflect the rebuilding costs, not the market value. The rebuilding cost should take into account not only the costs of rebuilding, but also clearing the site, shorting and propping up, removal of debris and architects and other professional fees. We recommend you employ a professional value to establish the rebuilding costs. If you get this wrong you could be underinsured and your claim drastically be reduced.

Under-insurance
Any difference between the sums insured declared by the policy holder to represent the value at risk versus the true value established at the time of claim, loss or damage. In the event of a claim, under-insurance may result in economic losses to the policy holder, since the claim would exceed the maximum amount that can be paid out by the insurance policy.

Warranties
Warranties are imposed on policies to ensure that a certain “undertaking” is done and must be complied with word for word. If a warranty is breached then the whole policy becomes void and any claim, even though it may have nothing to do with the warranty, will not be paid.

Warranties provide enhanced security to the Insurer by stating that **you will or will not do** certain things. Breaching a warranty would give your Insurers grounds to refuse to pay a claim and/or cancel your policy, even if your claim did not relate to the warranty. So, failing to comply with a warranty to service your burglar alarm for example, could still result in your fire claim being turned down.

Terms of Business and Privacy Notice

Terms of Business

Applying to General Insurance customers.
We recommend that you carefully read these Terms that apply to our appointment by you and the services we will provide.
This TOBA may vary from time to time so please check it regularly. The TOBA was last updated on 1st November 2022.
Version Ref v.11.22

Company Contact and Office Details

Butterworth Spengler Commercial Limited – Registered Office Elmwood House, Ghyll Royd, Guiseley, Leeds, LS20 9LT
Trading office - Liverpool - 20-24 Faraday Road, Wavertree Technology Park, Wavertree, Liverpool, Merseyside, L13 1EH, Telephone – 0151 494 4400
Trading office: Gloucester – Arlingham House, Green Farm Business Park, Falcon Close, Quedgeley, Gloucester, GL2 4LY, Telephone – 01452 623 900

For the remainder of this document the company will be referred to as **'we/us/our'**

Please note instructions for new or amended insurance cover should not be assumed to have been accepted unless confirmation is received from ourselves.

Our Trading Styles are Butterworth Spengler Insurance Brokers, Cyclesure, Butterworth Spengler South West, Butterworth Spengler Professional Risks, Angler Protect, Fishing Shop Protect, Village Hall Protect, and Butterworth Spengler Insurance Group.
We are authorised and regulated by the Financial Conduct Authority. Our Firm Reference Number (FRN) is 306470. You can check this on the Financial Services Register by visiting the FCA's website www.fca.gov.uk or by telephoning the FCA on 0800 111 6768.

Our Service

We offer a wide range of insurance products and have access to leading insurers in the marketplace. The advice given by the firm is on a personal recommendation based on a fair and personal analysis of the market, however for some types of insurance we deal predominantly with a single or limited number of insurers which we have selected as offering value for money and quality service. In such circumstances the firm does not give a personal recommendation on the basis of a fair and personal analysis and we will provide you with the name of the insurers which the firm may and does conduct business with
We will give you details of these arrangements before you make any commitment on any product we offer you.
We will explain the main features of the products cover and benefits, any unusual restrictions or exclusions, any significant conditions or obligations and the period of cover.
We will make a recommendation for you after we have assessed your needs, or advise you if we are unable to place your insurance. In some circumstances we provide information only and do not therefore make a personal recommendation. The documentation we provide will make it clear whether the sale is provided on an advised or non-advised basis.
We will also make clear in our documentation prior to conclusion of the contract areas where we are acting as agent for the customer, the insurer or both.

The duty of fair presentation (non-consumer customers only)

It is your responsibility to provide a fair presentation of the insurance risk based on you conducting a reasonable search for information. This could require you to obtain information from senior managers within your organisation or other parties to which the insurance relates or who carry out outsource functions for your business.
You must disclose every material circumstance which you know or ought to know, or failing that disclose sufficient information to put your insurer on notice that it needs to make further enquiries. You must ensure that any information you provide is correct to the best of your knowledge and representations that you make in expectation or belief must be made in good faith.
If you fail to make a fair presentation of the risk this may result in additional terms or warranties being applied from inception of the policy or any claim payment being proportionately reduced. In some cases this could result in your policy being declared void by an insurer and your premiums returned. Any deliberate or reckless breach of the duty of fair presentation could result in your policy being declared void by an insurer with no refund of premium
If in doubt about any point in relation to material circumstances and reasonable search please contact us immediately.

Important Information (consumer customers only)

Under the Consumer Insurance (Disclosure and Representation) Act 2012 it is your duty as a consumer to **take reasonable care** not to make a misrepresentation to an insurer.
Under the act a consumer is defined as an individual who enters into an insurance contract wholly or mainly for purposes unrelated to the individual's trade, business or profession.
A failure by the consumer to comply with the insurers request to confirm or amend particulars previously given is capable of being a misrepresentation for the purpose of this act.
It is important that you ensure all statements you make on proposal forms, claim forms and other documents are full and accurate and we recommend that you keep a copy of all correspondence in relation to the arrangement of your insurance.
Under the act an insurer has a remedy against a consumer in respect of qualifying misrepresentations in breach of the consumers' duty of reasonable care where the insurer deems the misrepresentation to be deliberate, reckless or careless **If in doubt about any point in relation to your duty to take reasonable care and subsequent qualifying misrepresentations, please contact us immediately.**

Financial Crime

Please be aware that current UK money laundering regulations require us to obtain adequate 'Know Your Client' information about you. We are also required to cross check you against the HM Financial Sanctions List as part of the information gathering process.
We are obliged to report to the National Crime Agency and/or Serious Fraud Office any evidence or suspicion of financial crime at the first opportunity and we are prohibited from disclosing any such report.
We will not permit our employees or other persons engaged by them to be either influenced or influence others in respect of undue payments or privileges from or to insurers or clients.

Consumer Credit

We are authorised and regulated by the Financial Conduct Authority in respect of our current Consumer Credit Permissions.

Solvency of Insurers

We cannot guarantee the solvency of any insurer with which we place business. This means that you may still be liable for any premium due and not be able to recover the premium paid, whether in full or in part, should an insurer become insolvent.

Terms of Payment

Our payment terms are as follows (unless specifically agreed by us in writing to the contrary):
New policies: immediate payment on or before the inception date of the policy • Alterations to existing policies: immediate payment on or before the effective date of the change
• Renewals: due in full before the renewal date
If payment is not received from you in accordance with the above terms, we, or your insurer may be forced to cancel or lapse the relevant policy/policies, which could mean that part or all of a claim may not be paid. You may also be in breach of legally required insurance cover.
When renewal is invited and the policy is paid by monthly direct debit, we will issue a notice to you. To ensure you are not left without cover, the absence of a response to this notice will be deemed as your consent to cover being renewed automatically. You have an option to cancel the automatic renewal at any time by contacting us via telephone, post or email.
If you choose to pay for your insurance premium using a finance provider your details will be passed onto them. We will provide you with a breakdown of the costs of your monthly instalments and subsequently a document outlining key features of their credit agreement with you including any fees they apply and the cost of default charges, it is important that you take time to read this document and must contact us if you do not receive this. Using premium finance makes the overall cost of the insurance more expensive. If you have any queries or questions, either about the service provided by the finance provider or their terms and conditions you should in the first instance contact them. Where your policy is paid via the finance provider and you choose to renew your cover, we will again continue to pass your details to them. If any direct debit or other payment due in respect of any credit agreement you enter into to pay insurance premiums is not met when presented for payment or if you end the credit agreement we will be informed of such events by the finance provider. In certain circumstances we may be contractually obliged by the finance provider to notify your insurer to cancel the policy.
Where we are contractually obliged to do so by the financial provider, if you do not make other arrangements with us to pay the insurance premiums you acknowledge and agree that we may, at any time after being so informed of non payment under the credit agreement, instruct on your behalf the relevant insurer to cancel the insurance and to collect any refund of premiums which may be made by the insurer and use this refund to offset the amount levied by the finance provider on the

firm. If this amount is not sufficient to cover all our costs we reserve the right to pursue any additional debt owed to the firm through a due legal process.
You will be responsible for paying any time on risk charge and putting in place any alternative insurance and/or payment arrangements you need.
Upon receiving your strict acceptance to pay for insurance premiums through the finance provider, we will instruct them to proceed with your application for credit. This process will involve the provider searching public information that a credit reference agency holds about you and any previous payment history you have with that provider. The credit reference agency will add details of your search and your application to their record about you whether or not your application is successful.
Please read carefully the pre-contractual explanations and the information regarding the cost of credit (including any representative examples). Together they provide important information in relation to the credit facility available from the finance provider. To use the finance provider's facility you must be resident in the UK, aged 18 years or over and hold a bank or building society current account which can support direct debit payments. Credit is available subject to status.
Any payment we receive from you will be held by J Butterworth Spengler Commercial Limited, in a Non-Statutory Client Trust Bank Account held with NatWest. In some cases the payment we receive will be held on behalf of the provider with whom we arrange your policy as their agent. This means that any payment you make to us will be regarded as having been paid to the provider. This is known as risk transfer. By instructing us to place insurance on your behalf you give your informed consent to these Client Money procedures. If there are any matters which you do not understand, or do not accept, you should discuss them with us before proceeding.
We may pass the money you pay us to another intermediary. We will only do this where it is a necessary part of the process of arranging cover for you.
Where this includes intermediaries outside the UK, the legal and regulatory regime may be different from that of the UK. In the event of the intermediary failing money may be treated differently than if it was held by an intermediary in the UK. You may notify us if you do not wish your money to be passed to a person in a particular jurisdiction. No interest will be payable to customers in respect of the client account. Any interest earned will remain in the ownership of Butterworth Spengler Commercial Limited.

Notification of Incidents/Claims

It is essential to notify us immediately of all incidents that may result in a claim against your insurance policy. You must do so whether you believe you are liable or not. Any letter or claim received by you must be passed to us immediately, without acknowledgement.
Only by providing prompt notification of incidents can your insurance company take steps to protect your interests.
Your policy summary and/or policy document will provide you with details on who to contact to make a claim.
Claims payment will be made in favour of you. If you require a payment to be made to a third party then you must confirm the required payee name and details and provide a brief explanation for your request. Please contact us for guidance on claiming under your policy.

Cancellation

Your policy document will detail your rights to cancel your insurance once you have taken it out. Depending on the type of policy you have purchased, you may be entitled to cancel within 14 or 30 days of either conclusion of the contract or receiving your policy documentation, whichever occurs later. This is often referred to as a cooling off period.
Where you cancel a policy before renewal you will be responsible for paying a charge to meet the cost of cover provided and administration expenses. Please see the Refunds section.
To enable your insurer to process the cancellation, you will need to return certificates and any official documents to our office within 30 days of your notice to cancel.

Administration Charges/Fees

In most cases we are paid by commission from the insurer, but in some circumstances, we may charge you a fee instead of commission or a combination of both, in which case this will be confirmed to you in writing at the time of incepting or renewing your policy. Our fees will be confirmed to you clearly and in writing at the time of incepting or renewing your policy and will always be disclosed to you before you commit to purchasing the product. There may also be occasions when an additional fee is sought, for example changes to the risk that required significant further advice and placement of additional coverage or substantial involvement in any large, difficult, or complex claims.
In addition, we may also make charges as detailed below to cover our regulatory responsibilities. Any applicable insurance premium tax will be shown on the documentation we provide to you.

Administration Charges/Fees There are times when remuneration from insurers will not cover the administrative / regulatory costs of placing your cover. In order to achieve a fair return for us and ensure we continue to deliver high standard of service to you; it may be necessary to charge a fee as noted below. **These Administration Charges/Fees are non-refundable.**	
Policy Event	**Administration Charge/Fee**
New Business / Renewal	£60
Mid Term Adjustment	£25
Cancellation (full commission retained)	£25
Copy Documents	£25

Where we arrange low or non-commission paying products, we may charge an arrangement fee (Fee in Lieu) and will advise you of the actual amount at the time of quotation or renewal.

These fees may be subject to change. Where there are changes, we will confirm this clearly and the actual amount will always be disclosed to you before you commit to purchasing the product.

We may also receive additional remuneration from some insurers for additional work and services we provide on behalf of, or to the benefit of Insurers where we have agreed ISB (Insurer Services Brokerage). Upon request, we will be pleased to provide details of any such remuneration.

You are entitled, at any time, to request further information regarding the amount of any commission which we may have received as a result of placing or renewing your insurance cover.

We take any commission once we receive your payment as cleared funds and prior to payment of the premium to the insurer.

We may occasionally receive additional remuneration from certain insurers for insurance policies we place with them, finance providers, claims management services and others. Please ask us should you require further information.

In the event we no longer act as your appointed broker, we may (at your request) continue to provide a claims handling service for existing claims that occurred during our appointment with yourselves, this will be subject to a fee. Any fee will reflect the amount of work involved but will not be more than any remuneration we have received from you previously. We will advise you of the exact amount prior to your acceptance.

Where you choose to pay your premium by instalments, we may use a scheme operated by your insurer, or we may use a Finance Provider selected from a limited panel, and we may receive a commission for introducing you to them.

The firm will advise the customer of any commission payable by the lender in relation to a credit agreement where knowledge of the existence or amount of commission could affect the impartiality of the firm in recommending a particular product or have a material impact on the customers transactional decision.

To the extent that it is not possible for an amount to be given the firm will provide the basis for its calculation.

Refunds

Where a policy is cancelled before renewal, insurers charge to cover their costs, with the balance refunded to you, subject to no claim having been made. Full details will be available in your policy. In the event of an adjustment giving rise to a return of premium the amount may be refunded or held to credit.

Your attention is specifically drawn to the following:-
Where you cancel your policy, request a mid-term adjustment which results in a refund of premium or rescind new business/renewal instructions we reserve the right to charge you for our time and costs. This will usually result in us reducing the amount refunded to you by the FULL amount of the commission and fees we would have received had you not cancelled. The reason for this is that the majority of our costs are incurred either in initially finding and setting up your policy or in the annual renewal process when we might check the ongoing suitability of the cover the policy offers. These costs are recovered

through the commission we earn. If you cancel, this does not give us an opportunity to recover the costs we incurred and would often result in us making a loss. However, any charge made will not exceed the cost of the commission and fees we would have earned.
For certain commercial insurance policies, insurers will only provide cover where the premium is due in full on inception of the policy. This means that no refund will be paid if the policy is cancelled before renewal. We will advise you if this affects you. In view of the cost involved in making changes to your policy, we will not issue refunds of less than £25.

Complaints

It is our intention to provide you with the highest possible level of customer service at all times. However we recognise that things can go wrong occasionally and if this occurs we are committed to resolving matters promptly and fairly. Should you wish to complain you may do so:

In writing to the Complaints Manager Richard Bell or by telephone on 0151 494 4400, or by e-mail at rbell@butterworthspengler.co.uk

In person by visiting our office (see above for address).

Should you not be satisfied with our final response, you may be entitled to refer the matter to the Financial Ombudsman Service (FOS). More information is available on request or on their website. www.financial-ombudsman.org.uk

Further details will be supplied at the time of responding to your complaint.

Financial Services Compensation Scheme (FSCS)

We are covered by the Financial Services Compensation Scheme and you may be entitled to compensation from the scheme depending on the type of business and circumstances of the claim if we cannot meet our obligations. Further information about compensation scheme arrangements is available from the Financial Services
Compensation Scheme at www.fscs.org.uk

Confidentiality and Data Protection

We are a data controller for the information you provide to us including individual, identification and financial details, policy history and special category data (such as medical or criminal history).

Details of our legal basis for processing your information, along with details of any third party recipient whom it may be necessary to share your personal data with in order to fulfil the contract, retention period for data held, security of your data, your rights under the General Data Protection Regulations (GDPR) including the right to complain can be found in our full 'Privacy Notice' attached to these terms of business.

Communications/Documentation

We will issue all documentation to you in a timely manner. Documentation relating to your insurance will confirm the basis of the cover and provide details of the relevant insurers. It is therefore important that the documentation is kept in a safe place, as you may need to refer to it or need it to make a claim.
A new policy/policy booklet is not necessarily provided each year, although a duplicate can be provided at any time upon request.
You should always check the documentation to ensure all the details are correct and if this is not the case you should contact us immediately.
Where we arrange low or non-commission paying products, we will charge an arrangement fee and will advise you of the actual amount at the time of quotation or renewal. These fees may be subject to change. Where there are changes, we will confirm this clearly and the actual amount will always be disclosed to you before you commit to purchasing the product. You are entitled, at any time, to request further information regarding the amount of any commission which we may have received as a result of placing or renewing your insurance cover. We take any commission once we receive your payment as cleared funds and prior to payment of the premium to the insurer. We may occasionally receive additional remuneration from certain insurers for insurance policies we place with them, finance providers, claims management services and others. Please ask us should you require further information. Where you choose to pay your premium by instalments, we may use a scheme operated by your insurer, or we may use a Finance Provider selected from a limited panel, and we may receive a commission for introducing you to them. We will advise you of any commission payable by the lender in relation to a credit agreement where knowledge of the existence or amount of commission could affect our impartiality in recommending a

particular product or have a material impact on your transactional decision. To the extent that it is not possible for an amount to be given we will provide the basis for its calculation.

Termination of our authority to act on your behalf

You or we may terminate our authority to act on your behalf by providing at least 14 days notice in writing (or such other period we agree) Termination is without prejudice to any transactions already initiated by you, which will be completed according to these terms of business unless we agree otherwise in writing.
You will remain liable to pay for any transactions or adjustments effective prior to termination and we shall be entitled to retain any and all commission and /or fees payable in relation to insurance cover placed by us prior to the date of written termination

Motor Insurance Database (MID)

It is your statutory obligation to update and maintain the MID. Failure to ensure this takes place can result in substantial fines and inconvenience for your drivers. For the avoidance of doubt, we will not update the MID on your behalf.

Limitations and exclusions of our Liability

The following provisions set out our entire financial liability to you.
You acknowledge and agree that you shall only be entitled to make a claim against us and not against any individual employee or consultant engaged by us. Our liability for losses suffered by you arising under or in connection with the provision of our services ,whether in contract, tort (including negligence) breach of statutory duty, or otherwise (including our liability for the acts or omissions of our senior management ,employees and any appointed representatives shall be limited in all circumstances to £5,000,000 per claim. Any claim or series of claims arising from one act, error, omission, incident or original cause shall be considered to be one claim. We shall not be liable to you for any loss of profit or loss of business whether directly or indirectly occurring and which arises out of or in connection with the provision of our services

Nothing in this paragraph shall exclude or limit our liability for death or personal injury caused by our negligence or for loss by our fraud ,fraudulent misrepresentation or breach of regulatory obligations owed to you .You are welcome to contact us to discuss increasing the limitations of our liability and /or varying the exclusions set out above.

Product Oversight and Governance

All of the products we offer are ultimately manufactured by product providers (usually the Insurance Companies providing cover).
As a distributor we have measures in place to:

- Obtain information about the product, it's approval process and understand the identified target market.
- Ensure that we understand the value assessment that the manufacturer has undertaken, so that we can distribute the product accordingly.
- Consider the impact that our distribution strategy and process has on the value of the product. This includes considering any remuneration we receive as part of the distribution strategy and ensuring that it does not result in the product failing to offer fair value to our customers.
- Provide information to support the manufacturer in their product reviews. This includes information on remuneration where this has an impact on the value of the product.
- Amend our distribution processes if we identify it results in harm to our customers, taking appropriate remedial action when necessary.
- Carry out regular product reviews for all of the products we distribute.

General

If any provision of these Terms is found to be invalid or unenforceable in whole or in part, the validity of the other provisions of these Terms and the remainder of the provision in question will not be affected. These Terms shall be governed by the laws of England and Wales or Scotland and the parties agree herewith that any dispute arising out of it shall be subject to the exclusive jurisdiction of the relevant court.

These Terms supersede all proposals, prior discussions and representations (whether oral or written) between us relating to our appointment as your agent in connection with the arranging and administration of your insurance. These Terms constitute an offer by us to act on your behalf in the arranging and administration of your insurance. In the absence of any specific acceptance communicated to us by you (whether verbal or written) you are deemed to accept our offer to act for you on the basis of these Terms, by conduct, upon your instructing us to arrange, renew or otherwise act for you in connection with insurance matters.

Privacy Notice

Important notice

This is the privacy notice of Butterworth Spengler Commercial Limited (registration number: 05058649) whose registered office is at Elmwood House, Ghyll Royd, Guiseley, Leeds, LS20 9LT referred to as **we**, **us** or **our** in this privacy notice.

Trading office - Liverpool - 20-24 Faraday Road, Wavertree Technology Park, Wavertree, Liverpool, Merseyside, L13 1EH, Telephone – 0151 494 4400
Trading office: Gloucester – Arlingham House, Green Farm Business Park, Falcon Close, Quedgeley, Gloucester, GL2 4LY, Tel – 01452 623 900

Our Trading Styles are Butterworth Spengler Insurance Brokers, CycleSure, Butterworth Spengler South West, Butterworth Spengler Professional Risks, Angler Protect, Fishing Shop Protect, Village Hall Protect, and Butterworth Spengler Insurance Group.

This privacy notice sets out how we collect and process your personal data. This privacy notice also provides certain information that is legally required and lists your rights in relation to your personal data.

This privacy notice relates to personal information that identifies you as a natural person (whether you are an actual or potential customer, an individual who browses our website or an individual outside our organisation with whom we interact). We refer to this information throughout this privacy notice as personal data or personal information and further detail of what this includes are set out in this privacy notice below.

The privacy and security of your personal information is very important to us so we want to assure you that your information will be properly managed and protected by us at all times. Please read this privacy notice carefully as it explains how we may collect and use your personal data.

This privacy notice may vary from time to time so please check it regularly. This privacy notice was last updated in November 2022.

How to contact us *(Controller and contact details)*

For the purposes of relevant data protection legislation, we are a **controller** of your personal data. As a controller, we use (or **process**) the personal data we hold about you in accordance with this privacy notice.

If you need to contact us in connection with the use or processing of your personal data, then you can do so via compliance@butterworthspengler.co.uk

What information we hold about you and where we obtain this from

The personal data that we collect about you may include the following information:

- Personal data you provide to us in person, via our website or by telephone.
- Personal data you provide when you enquire about insurance, or when you purchase a policy, through us, including information about what and/or who you want to insure, such as vehicle details, business activities, your home or travel details.
- General information about you, such as your name, address, contact details and date of birth.
- Personal data you provide if you subscribe to any of our mailing or newsletter services.
- Your claims and credit history.
- Financial details, such as your bank account and card details.
- Criminal convictions.
- Information about your use of our website such as your IP address, which is a unique number identifying your computer, including personal data gathered using cookies.

In addition, we may obtain certain special categories of your data (**special categories of data**) and data about criminal convictions, and this privacy notice specifically sets out how we may process these types of personal data. The special categories of data are data concerning health.

We collect your personal data from you as a controller when we obtain quotations for insurance for you, when we set up your policy for you and when we make changes to your policy for you. This may also involve the collection of data from or about others who are associated with you and your insurance policy such as other persons insured on your policies or your employees or representatives. By giving us information about someone else for the purpose of arranging insurance for them under your policy such as named driver, employee or travel companion etc. you confirm that you have their permission to do so and that you have shared this privacy notice with them.

By asking us to arrange a contract of insurance for you where this involves passing information to us relating to children, you confirm to us that in doing so you are the responsible guardian of the child.

We also collect information from publicly available sources and third-party databases made available to the insurance industry for the purposes of reducing fraud and financial crime as well as any other third party databases where your personal data may be held, provided such third parties have lawful bases on which to share such personal data with us.

How we use your personal data and the lawful basis for doing so

Where we are relying on a basis other than consent

We may rely on one or more of the following legal bases when processing your personal data for the following purposes:

Purposes for which we process your personal data	**The basis on which we can do this (this is what the law allows)**
In order to perform our contractual obligations to you. This would include our fulfilling your requests for insurance services (including obtaining insurance for you, fulfilling requests for mid-term adjustments and obtaining renewals)	The processing is necessary in connection with any contract that you may enter into with us
To administer your account, including financial transactions for insurance broking	The processing is necessary in connection with any contract that you may enter into with us
To assist in the prevention and reduction of fraud and other financial crime	The processing is necessary for us to comply with the law and our legal requirements
In the interests of security and to improve our service, telephone calls you make to us may be monitored and/or recorded	The processing is necessary to pursue our legitimate interest in the management and operation of our business
To let you know about similar products and services that may be of interest to you	The processing is necessary to pursue our legitimate interest in operating our business
To make automated decisions, automated profiling and fraud detection	The processing is necessary in connection with some contracts that you may enter into with us

Special categories of data and criminal convictions

We may also need to collect special categories of data from you such as information about your health, personal data revealing racial or ethnic origin, religious or philosophical beliefs or trade union membership and generic data. We may also collect information on criminal convictions which we may share with third parties. The lawful basis on which we can do this is the processing is necessary for reasons of substantial public interest relating to insurance purposes.

Insurance purposes mean (a) advising on, arranging, underwriting or administering an insurance contract (b) administering a claim under an insurance contract or (c) exercising a right or complying with an obligation, arising in connection with an insurance contract, including a right or obligation arising under an enactment or a rule of law.

Who we pass your personal data to

We may need to pass your personal data to other companies which may include:

- Other companies or brands within our group of companies, for example if we are unable to provide a suitable insurance policy on request or at renewal we will check if any of our associated group companies can provide you with suitable cover.

- The insurers, intermediaries and third party service providers that we use for the purpose of arranging and administering your insurance policy. This may also include risk management assessors, uninsured loss recovery agencies, premium finance providers and other third parties involved (directly or indirectly) in the administration of your insurance and its associated benefits.
- Firms that provide administration and processing services to us or on our behalf under contract in order to complete activities such as claims handling, IT systems and administrative services and other activities set out in this privacy notice, as well as support activities such as finance and auditing services.
- Organisations that have a specific role laid out in law, such as statutory bodies, regulatory authorities and other authorised bodies.
- Other organisations where we have a duty to or are permitted to disclose your personal information by law, for example if we received a valid request from the police or other third party organisation in the interest of preventing and detecting crime..
- Fraud prevention agencies and operators of registers available to the insurance industry to check information and prevent fraud
- Credit reference agencies to check your credit history. This check will be recorded on your credit reference file without affecting your ability to apply for credit or other financial products.
- Third parties we use to recover money you may owe us or to whom we may sell your debt.
- Another company, if our business or part of it is bought or taken over by that company to make sure your insurance policy can continue to be serviced or as part of preliminary discussions with that company about a possible sale or take over.

The information you share with us may be transferred by us or any of the types of firms or organisations we have noted above, to other countries in order for processing to take place, including locations outside of the UK. We will only do so if there are adequate levels of protection in place as required by applicable data protection laws.

Accessing our website and cookies

When you visit one of our websites, we may collect information from you such as your email address, IP address and other online identifiers. This helps us to track unique visits and monitor patterns of customer website traffic, such as who visits and why they visit. We may use third parties to collate IP addresses to help us understand our Internet traffic data and data regarding your browser type and computer. We may also use web usage information to create statistical data regarding the use of our website. We may then use or disclose that statistical data to others for marketing and strategic development purposes, but no individuals will be identified in such statistical data.

We may use cookies and/or pixel tags on some pages of our website. A cookie is a small text file sent to your computer, mobile phone or tablet depending on the device used to access our website. A pixel tag is an invisible tag placed on certain pages of our website, but not on your computer. Pixel tags usually work together with cookies to help us to give you a more tailored service. We may also use cookies and pixel tags in our email communication to personalise the email and track whether the email has been opened and whether the recipient has used any website links contained in the email communication. This allows us to monitor and improve our email communications and website. Useful information about cookies, including how to remove them, can be found at http://allaboutcookies.org.

Internet browsers normally accept cookies by default, although it's possible to set a browser to reject cookies. However, refusing to accept cookies may restrict your use of our website and/or delay or affect the way in which our website operates. You can find more information on cookies when you visit our website.

The open nature of the internet is such that data may flow over networks without security measures and may be accessed and used by people other than those for whom the data is intended. While this is outside of our control, we do take the protection of your information very seriously and aim to apply appropriate levels of security at all times.

Sanctions List Checks

We are required to confirm that our customers are not on the Sanctions List maintained by HM Treasury and other overseas authorities. We use SanctionsSearch provided by Professional Office Ltd to perform these checks both on initial appointment and on an ongoing basis whilst we act on your behalf.

Remote Working/Working from Home

Certain members of the business may be authorised by the company to work remotely, usually from home, and we have specific rules and controls to which those members of the business must adhere. Failure to comply with these requirements must be reported to the company's data protection officer without delay so that alternative arrangements can be considered and, where appropriate, agreed and put into place.

Closed circuit television (CCTV)

Where CCTV is used, we have identified and documented the potential impact on individuals' privacy and have taken this into account when installing and operating the CCTV system. We regularly review whether CCTV is still the best security solution.

We will clearly inform individuals of our use of CCTV and we only retain recorded CCTV images for long enough to allow for any incident to come to light (e.g. for a theft to be noticed) and to investigate it. We will respond to individuals or organisations making requests for copies of their images on our CCTV footage and will seek prompt advice from the Information Commissioner where there is any uncertainty. We securely store CCTV images, limit access to authorised individuals and regularly check that the CCTV system is working correctly. We have a nominated individual who is responsible for the operation of the CCTV system.

Telephone Recording

Where telephone conversations are recorded, we will inform you of this at the beginning of the call together with our reasons for doing so and any objections should be raised immediately. Telephone recordings will be stored securely for no longer than necessary and you have the right to request a copy where this is still available. The call recordings will only be passed to third parties where we have a legal right or legal obligation to do so. Payment card data is protected in accordance with the Payment Card Industry Data Security Standard (PCI DSS) and our system prevents us from recording Sensitive Authentication Data (SAD) or where this is not possible, is immediately deleted after card authorisation.

Your rights

We will only store your data for as long as is necessary to comply with the requirements of your insurance contract(s) and any legal obligations or lawful processing conditions that may exist as a result. You have a number of rights concerning the personal information we use, which you may ask us to observe. In some cases, even when you make a request concerning your personal information, we may not be required, or be able to carry out your request as this may result in us not being able to fulfil our legal and regulatory obligations under the lawful processing conditions under which we hold your data or because there is a minimum statutory period of time for which we have to keep your information. If this is the case, we'll let you know our reasons.

You can ask us to:

- Provide a copy of your personal information.
- Correct or delete unnecessary or inaccurate personal information.
- Restrict or to object to the use of your personal information at any time.
- Object to any automated decision, including profiling which may have been used by insurers when underwriting your quotation. Where an automated decision has been made we will advise you of this and of your rights.
- Provide your personal data in a structured, commonly used and machine-readable format and to have your personal data transferred to another controller. This right only applies where our processing of your personal data is automated and the processing took place initially with your consent or for the performance of a contract with you.
- Where we rely on your consent to use your personal information, you can withdraw that consent at any time. Where your consent is withdrawn, your previous consent will remain valid in respect of our use of your information prior to the date you withdrew it, or if any marketing material has been sent prior to you advising that you don't want us to contact you again.

If you have any questions or concerns about this privacy notice or your data protection rights, please contact us using our details set out at the beginning of this privacy notice.

You also have the right to make an enquiry or to complain to the Information Commissioner's Office (ICO) if you are unhappy with our use of your data, or if you think we have breached a legal requirement. Further details about the ICO are available at: www.ico.org.uk.

How we contact you about other products and services

We may from time to time process your personal data to let you know about similar products and services that may be of interest to you. This is because we value your custom and we pride ourselves in offering professional and tailored advice which meets your specific insurance needs. This includes keeping you informed on the latest insurance and industry information and details of any offers or promotions relating to the insurance services we provide to you. Our lawful basis for processing your personal data in this way is as is necessary to pursue the legitimate interests of our business, unless we have otherwise obtained your consent to do so. We may contact you by post, telephone or e-mail. You will be given the option to stop receiving any communications from us in this regard at any time however please note that this will <u>not</u> affect us contacting you about the servicing of products that you have specifically requested from us.

Cyber
Private enterprise

keyfacts®

What is this key facts document?

This is a summary of the cover provided by this Policy. It does not include the full Policy terms and conditions, for full details you should consult your Policy document.

The insurer

This Policy is a legal contract of insurance underwritten by CFC Underwriting Limited on behalf of certain Underwriters at Lloyd's and other insurers.

Significant features & benefits

A comprehensive package Policy designed to meet the insurance needs of UK based companies with an exposure to cyber, privacy and media risks, including:

- Cyber incident response costs cover
- Cyber crime cover
- Cover for system damage and business interruption caused by a cyber event
- Network security and privacy liability cover
- Cover for regulatory costs and fines
- Cyber incident response costs cover
- Cover for intellectual property infringement and defamation
- Court attendance costs

Significant and unusual exclusions

Whilst we try to offer the broadest cover possible, we do not provide cover for certain situations. A summary of the significant and unusual exclusions that appear in the Policy are listed below. However, it is important to read the full Policy:

- Collection of private data without consent
- Any matter known by you which you don't tell us about before we agree to cover you
- Unsolicited communications
- Patent infringement
- Unsolicited communications
- Unlawful surveillance
- War and terrorism
- Regular hours staff costs
- Liquidated damages, services credits and penalty clauses
- Misleading advertising

Conditions

What we believe to be the most significant conditions are listed below, however all conditions in the policy are significant. It is important to read the policy and see the full list of conditions.

- Actions which must be taken in the event of a claim or loss (details of how a claim or loss should be notified and the subsequent actions you should or should not take and that the insurer may or may not take).
- Your duty to advise of changes (failure to disclose all material changes may cause this contract to be void and may result in Insurers repudiating liability entirely).

Right of cancellation

There is no cooling off period under this Policy but it may be cancelled with 30 days written notice by either you or us.

Duration of the policy

Insurance policies normally run for a period of 12 months. We strongly urge you to review your Policy each year to ensure you have adequate cover in place.

Claims notification

Should you wish to notify a claim under this Policy, please contact the 24-hour helpline shown on your Policy Schedule. You must do this as soon as you can, but this must be no later than 7 days following the expiry date of your policy.

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Our regulatory status

This insurance is underwritten by CFC Underwriting Limited, 85 Gracechurch Street, London, EC3V 0AA, United Kingdom on behalf of Underwriters at Lloyd's and other insurers. CFC Underwriting Limited and the Lloyd's Managing Agents of the Syndicates and other insurers on whose behalf we underwrite are authorised and regulated by the United Kingdom Financial Conduct Authority (FCA) FRN 312848. These details may be checked by visiting the FCA website at http://www.fca.org.uk/register. Alternatively the FCA may be contacted on 0845 606 1234.

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our obligations to you in respect of insurance policies that we have underwritten on behalf of insurers. This depends on the type of business and the circumstances of the claim. In respect of general insurance business, such as this Policy, the FSCS will cover 90% of the claim, without any upper limit. Further information about compensation scheme arrangements is available from the FSCA.

How to submit a complaint

We intend to provide an excellent service to you. However, we recognise that there may be occasions when you feel this has not been achieved. If you are unhappy with any aspect of the service that you receive from us, please contact your insurance broker in the first instance, stating the nature of your complaint, the Policy and/or claim number.

Alternatively, you can contact us directly at enquiries@cfcunderwriting. com or please write to:

The Chief Executive Officer
CFC Underwriting Limited
85 Gracechurch Street
London EC3V 0AA
United Kingdom

If after taking this action you are still unhappy with the response, it may be possible in certain circumstances for you to refer the matter to the Complaints team at Lloyd's. The address of the Complaints team at Lloyd's is:

Complaints Department
1 Lime Street
London
EC3M &HA

Telephone: +44 (0)20 7327 5696
E-mail: complaints@lloyds.com

Your complaint will be acknowledged, in writing, within 5 business days of the complaint being made.

A decision on your complaint will be provided to you, in writing, within 8 weeks of the complaint being made.

If you remain dissatisfied after Lloyd's has considered your complaint,
you may have the right to refer
your complaint to the Financial Ombudsman Service (FOS).
The contact details for FOS are:

The Financial Ombudsman Service Exchange Tower
Harbour Exchange
London E14 9SR

Telephone: +44 20 7964 0500 (from outside the UK)
Telephone: 0800 023 4567 (from inside the UK)
(calls to this number are free from "fixed lines" in the UK) or 0300 123 9123 (calls to this number are charged at the same rate as 01 and 02 numbers on mobile phone tariffs in the UK).
Fax: +44 20 7964 1001

The FOS is an independent service in the UK for settling disputes between consumers and businesses providing financial services. You can find more information on the FOS at www.financialombudsman.org.uk.

If you have purchased your contract online you may also make a complaint via the EU's online dispute resolution (ODR) platform. The website for the ODR platform is www.ec.europa.eu/odr.

The existence of this complaints procedure does not affect any right of legal action you may have against CFC Underwriting Limited or Lloyd's as detailed in the Choice of Law condition on the last page of your Policy.

FINANCE & GOVERNANCE COMMITTEE MEETING

Tuesday 3rd September 2024

Cyber Insurance Quote

1. Introduction

1.1 Zurich Insurance, the Council's main insurer, does not provide cyber insurance so currently the Council has no cover. So, if it falls victim to a cyber-attack, it is open to incurring considerable costs, tens of thousands of pounds in the following areas:

Direct Costs

- ***Data recovery and restoration:*** This includes the costs of IT experts, software, hardware, and potential data loss.
- **Legal and forensic expenses:** Investigating the attack, complying with data breach regulations, and potential litigation.
- **Public relations and crisis management:** Managing the reputation and customer trust.
- **Ransom payments:** If the attack involves ransomware, this can be a significant cost.

Indirect Costs

- **Lost revenue:** Business disruptions due to system downtime or damaged reputation.
- **Customer churn:** Loss of customers due to data breaches or service interruptions.
- **Increased insurance premiums:** Higher premiums after a cyber-attack.
- **Employee productivity loss:** Time spent dealing with the aftermath of the attack.

Long-Term Costs

- **Damaged reputation:** Loss of trust and customer loyalty can have long-term financial implications.

- **Regulatory fines:** Non-compliance with data protection regulations can result in substantial penalties.

1.2 To look to fill this gap in insurance cover a quote has been obtained for cover through a broker, Butterworth Spengler. The quote is from CFC, one of the leading cyber insurance underwriters.

1.3 Full details of the cyber package quote from Butterworths's are detailed at Appendix 1. Details of CFC terms are shown at Appendix 2 and Appendix 3 provides a summary of cover.

2. Quote, Summary of Cover and Budget

2.1 The total cost of the premium is as follow:

Premium excl. IPT:	1,630.00
IPT:	195.60
Admin Fee:	60.00
Insurer Fee:	150.00
Total:	**£2,035.60**

The quote was received on 27th June and is only valid for 30 days so the broker has been asked if CFC will honor the quote if accepted in September. The outcome of this request will be reported to the Committee at the meeting.

2.2 The summary of the cover is as follows:

Summary of Cover: Sum Insured (£)	
Cyber	1,000,000
Breach Response and Crisis Management	1,000,000
Extortion	1,000,000
Multimedia Liability	1,000,000
Network Security and Privacy Liability	1,000,000
Business Interruption	1,000,000
Voice/Telephony	250,000
Social Engineering Fraud	250,000
Crime	250,000

2.3 The current budget for insurance is £8,000 and the Zurich renewal was £7,875 so there is just £175 left in the budget. So, if the Committee was to approve taking out Cyber insurance based on the quote received there will be an overspend on the insurance budget of £1,860.

2.4 The financial regulations, paragraph 4.6 says:

> *'The Town Clerk or officer nominated by the Town Clerk may authorise expenditure subject to a limit of £3,000 for any one item for reasons of efficient running of Council/ Committees.'*

2.5 Therefore the Committee if considers taking out this insurance a priority the Town Clerk does have the delegated authority to take out the insurance.

2.6 If approved and the fact that the Town Clerk has delegated authority its efforts should be made to fund the overspend on insurance cover from savings elsewhere in the budget.

3. Recommendations

3.1. The Committee approves taking out Cyber Insurance with CFC and the Town Clerk to look for savings elsewhere in the budget to fund the overspend against the insurance budget.

Appendix 1: Brokers Quote

Appendix 2: CFC Indication of Terms

Appendix 3: Information on CFC