



Lockton Companies (Hong Kong) Limited

Important Information and Our Terms of Business - Individual Business

Lockton Companies (Hong Kong) Limited whose registered office is at 16/F, Berkshire House, Taikoo Place, 25 Westlands Road, Quarry Bay, Hong Kong, is a licensed insurance broker company authorised under the Insurance Ordinance (Cap.41), you may check our details on the website of the Insurance Authority at www.ia.org.hk (No. FB1055). We are also a registered Mandatory Provident Fund Intermediary and you may check our details on the website of the Mandatory Provident Fund Schemes Authority at www.mpfa.org.hk (No.IC000217).

Our Role Lockton gives advice on insurance policies to its clients and act as agents of its clients in dealing with insurers and other matters relating to insurance policies being procured by its clients.

Why are we giving you this document? This document is the contract between you and us, in respect of our role as your insurance broker. It also contains information we are required by regulation to provide to you and the services we will provide you. It is important that you read this document carefully and that you understand them – if you are not sure about anything, please contact us and we will be happy to explain.

If we do not hear from you within 30 days of sending you these terms of business, or if you tell use to arrange insurance policy for you within this 30-day period, we will assume that you agree to these terms.

Remuneration Statement Unless we have specifically agreed with you on the manner in which we will be remunerated for our services, the following statement shall apply to every insurance transaction we handle on your behalf:- “Lockton Companies (Hong Kong) Limited (the “Company”) is remunerated for its services by the receipt of remuneration paid by insurers. Your agreement to proceed with this insurance transaction shall constitute your consent to the receipt of such remuneration by the Company.”

What we will do for you We will do these things for you:	What you need to do for us You need to do these things for us:
<ul style="list-style-type: none"> ✓ Understand your insurance needs We will ask about you and the things you want insured (for example a car, home or holiday). Because this is vital to finding the right cover, you need to answer all the questions you are asked fully and truthfully. ✓ Tell you which policy (or policies) are suitable for you We will take the information you give us and use it to find and recommend a policy (or policies) that will be suitable for you and will tell you why. We will usually ask more than one insurer to provide quotes. Sometimes we will only ask one (we will tell you if this happens). ✓ Provide you with information about any policy (or policies) we recommend We will provide you with clear information about any policy we recommend, which will include how much you will pay (including any fees and levies applicable); the cover limits that apply; and any important exclusions in your policy. ✓ Help you complete any paperwork If you need to return documents, complete forms or take action, we will let you know and help you as far as we can. ✓ Handle your premiums If you pay insurance premiums to us, before we send them to insurers we will keep them safe in a client account. This is completely separate from our own money and there are regulatory controls on us regarding deposits and withdrawals from a client account and to conduct a regular reconciliation on the account. 	<ul style="list-style-type: none"> ✓ Make sure that you answer any questions you are asked fully and truthfully (see Section 1) You can find more details about this in Section 1 over the page - but in summary, make sure that you answer all the questions you are asked truthfully and as completely as you can. If you don't, then if you need to make a claim under your policy your insurer might refuse to pay. ✓ Check your documents carefully Please check the insurance documentation sent to you and tell us if there are any mistakes in it. This is especially important if any of the Sums Insured (the value things are insured for) are incorrect, or if the name of anyone covered is wrong. ✓ Tell us if you don't understand any information we have provided Insurance contracts can be complicated and you might need some of the terms, meanings or language in them explained to you. If this is the case, call us or write to us (including by email) for an explanation, which we will happily provide. ✓ Tell us if anything that might be relevant to your insurance changes If anything that is covered by the insurance changes, let us know as soon as you can - for example, if you need to increase your contents sum insured because you have purchased new jewellery; or if you have an annual travel insurance policy and you are diagnosed with a long-term medical condition. ✓ Payment of Premium Please note that you must pay the premium (and any applicable levies) due in accordance with the amounts and payment dates specified in the debit note or other

<p>✓ If you need to make a claim (see Section 4)</p> <p>We will help you to make that claim. Please check your insurers' policy document for details of how to claim, or call us for more information.</p>	<p>documentation you are sent. Failure to meet the payment dates may affect your cover and could lead to insurers cancelling your policy.</p> <p>✓ Cooling-off period</p> <p>Certain policy may contain a provision which allows you to cancel the policy within a specified period from inception and obtain a refund. Should you wish to exercise such right you should notify your insurer before the expiry of the cooling-off period.</p> <p>✓ Make sure that you have read and understood these terms of business</p> <p>In particular we also draw your attention to Section 2 (Selection and Solvency of Insurers), Section 9 (Terminating our Appointment) and Section 10 (Our Responsibility for Loss or Damage suffered by you).</p>
<p>If you need any help, please ask us.</p>	

1. DUTY OF DISCLOSURE

You Must Be Aware Of The Duty of Disclosure In Relation To Your Insurance And The Severe Consequences Of A Breach

The duty of disclosure under Hong Kong law requires you to provide Insurer all material information relating to the insurance under consideration and all information you provide should be both complete and accurate. "Material" in this context refers to all information, which a prudent Insurer (not necessarily the Insurer in question) would wish to take into account when considering whether or not to accept the insurance and, if so, upon what terms and at what price. Material information does not necessarily have to actually increase the risk of the insurance under consideration.

The duty of disclosure continues up until the insurance has been concluded and "resurrects" in the event of any amendment to the insurance during the policy period or any extension or renewal. It may also be that the terms of the insurance contract include specific ongoing disclosure conditions or warranties which effectively extend the duty of disclosure post inception of the policy or contract.

In completing a proposal or claim form or any other material document relating to an insurance contract and in providing information to or for Insurer(s), the accuracy and completeness of all answers, statements and/or information is your responsibility and it is of paramount importance that all relevant information is provided and that it is accurate.

In the event that there is a breach of the duty of disclosure, the Insurer has the right to avoid the insurance from its commencement. Under such circumstances, the Insurer would be entitled to seek recovery of any claims already paid by them under the insurance. Although at the same time the Insurer would generally be obliged to return paid premium (in the absence of dishonest conduct).

The duty of disclosure and the consequences of its breach may vary to a limited degree from the foregoing, dependent

upon the law(s) of which country is applicable to your insurance.

If you are in any doubt as to the ambit of the duty of disclosure or whether a piece of information ought to be disclosed, please do not hesitate to contact us.

2. SELECTION AND SOLVENCY OF INSURERS

Our selection of Insurers is generally based on our knowledge and experience of the relevant market sector, its products, and the financial standing of the Insurer(s). We use reasonable endeavours to monitor publicly available information, the financial standing of insurer(s) and to use only insurer(s) who have a satisfactory financial status. The financial standing or status of any insurer can, of course, change after the insurance has inception. We accept no responsibility for the financial performance of any Insurer(s).

If you have any concerns about the insurer(s) we are using, please contact us immediately.

3. CONFIDENTIALITY AND PERSONAL DATA PRIVACY

We will treat any information we receive from you as confidential. Any information that you provide to us will not be used or intentionally disclosed outside the Lockton Group by us except in the normal course of negotiating, maintaining or renewing the insurance, or for handling any claims, unless:

- (a) we have obtained the necessary consent from you;
- (b) we are required to disclose the information by a court of competent jurisdiction or governmental or regulatory body having the requisite authority over us; or
- (c) the information is already in the public domain or has been received by us from a third party not under any duty of confidentiality.

We will take appropriate steps to maintain the security of

your confidential documents and information which are in our possession.

We undertake to comply with the Personal Data (Privacy) Ordinance (Cap. 486) in all our dealings with any personal data you provide to us. A copy of our Personal Information Collection Statement is set out at Appendix 1 of these terms of business.

4. CLAIMS SERVICES

4.1 Claim Notification

Claims should be notified to us or alternatively, we will advise you where a policy may provide for direct notification by you to insurers or their agent. If you have a third party claim we would advise you not to compromise that claim or admit liability until you have Insurer's approval to do so. You should familiarise yourself with the notification conditions in your policy or contract and observe all conditions relating to the reporting and handling of claims and circumstances – failure to do so may well lead to your claim not being paid. Upon our receipt of a claim notification from you, we will undertake an assessment of that claim. If we consider that notice of that claim is not required or if the notification appears deficient in any way, we will promptly explain to you the position and seek your further instruction.

Where it is our responsibility we will notify the Insurer(s) of the claim in a timely fashion. We will then promptly communicate to you any information, comments or advices, received from the Insurer(s), in relation to the claim notice(s).

4.2 Claim Negotiation and Settlement

Where instructed we will diligently pursue the fullest recovery possible within the terms, conditions and limitations of the insurance. We will not compromise the amount of any claims settlement without your prior approval.

5. CONFLICTS OF INTERESTS

In performing our services, situations may arise where a conflict of interest arises. Examples of conflicts can include where we earn a fee from you for performing our services and also earn a commission from an insurer; or where we act as agent of the insurer in settling claims or arranging insurance; or where one client we represent makes a claim against another client we represent. Should such a situation arise we will advise you so that you can make an informed decision about the conflict (and if applicable, the specific action we will take to manage that conflict). If you object to the particular conflict, then you will need to advise us. Your instruction or confirmation of an order to arrange the insurance on your behalf will be taken as your informed consent to proceed in the manner proposed. If we feel that it is not possible to manage the conflict fairly, we will withdraw from the arrangement and advise you accordingly.

6. REMUNERATION AND OTHER EARNINGS

(a) Commission:

Unless we have specifically agreed with you on the manner in which we will be remunerated for our

services, we will be remunerated by receipt of commission paid by insurers we use out of the premium paid by you. Our commission is usually calculated as a percentage of the insurance premium. This percentage will have been contractually agreed between us and the Insurer. We earn different percentages for different classes of business and from different Insurer(s).

(b) Fee and Other Earnings:

We may charge you a fee or receive a commission and also charge you a fee for our services. Whenever we charge a fee (whether with or without commission) that amount will be agreed with you in advance and will be disclosed to you separately to the insurance premium.

We may also receive additional income from the following sources:

- i. Interest earned on client money held by us in our client bank accounts.
- ii. Arrangements with Insurers whether or not identifiable to any specific client or account for services we provide to Insurers that may include:
 - Electronic platform access / software licence fee which we may charge Insurers for access or use of platform / software developed and/or maintained by us; and
 - Risk consulting, marketing or other service fees for any specific services which we may provide to the Insurers.
- iii. Commission from MPF scheme providers for provision of services relating to MPF products to our clients.
- iv. Fee from health care/life style service providers for sourcing and/or administering employees benefit add on services for our clients.

The additional income described above may give rise to a conflict of interest between you, us and/or the Insurer(s)/MPF scheme providers/other service providers concerned. We will take care to ensure that such conflicts are properly managed so we continue to act in your best interests.

You are entitled at any time to request information regarding any income which we earn as a result of placing your insurance. We will respond to your request in writing.

7. COMPLAINTS

We take complaints made against us very seriously and maintain a procedure to ensure that complaints are dealt with promptly and fairly.

If you wish to make a complaint, please notify your usual contact or to the Responsible Officer, either in writing to our registered office set out at the beginning of this document or by telephone at 2250 2828. If we cannot resolve your complaint straight away, we will acknowledge its receipt promptly and arrange for a senior manager to investigate the matter and provide you with a response. If you are not happy with the way your complaint has been handled, you

may refer the matter to the Insurance Authority or Mandatory Provident Fund Schemes Authority.

8. MONEY LAUNDERING, BRIBERY AND SANCTIONS

We are obliged to take reasonable steps to safeguard our company and our clients against the risk of financial crime. To achieve this we may need to ask you to provide us with additional information to help establish proof of identity or legitimacy of any insurance transactions you ask us to undertake on your behalf. We are obliged to report to the Joint Financial Intelligence Unit any suspicion of money laundering at the first opportunity and we are prohibited from disclosing any such report. We will not agree to make payments to unknown third parties where we have had no direct dealings or knowledge of an involvement on your account.

As an organisation we have in place strict anti-bribery and anti-corruption procedures in accordance with applicable laws, regulations and best practice.

Insurance transactions or payments may be prohibited or subject to prohibition or restrictions under International Trade Sanctions ("ITS") covering (without limitation) trade in certain goods, territories or individuals. Where we discover or have reasonable belief that the arrangements we make or may put in place may be in breach of any form of ITS then we may immediately cease any part or all of that arrangement. This may result in us continuing to make arrangements on your behalf for some elements of your insurance program and not others. We will make you aware if this applies.

9. TERMINATING OUR APPOINTMENT

You can terminate our appointment to act as your agent in relation to the insurance immediately by giving us notice in writing if we have done something wrong and not complied with these terms of business.

You can also terminate our appointment to act as your agent in relation to the insurance by giving us 30 days' notice in writing if we are not at fault but you would like to end our appointment. In such circumstances, our appointment to act as your agent in relation to the insurance will not end until 30 days after the day on which you notify us of your wish to terminate.

We may terminate our appointment to act as your agent in relation to the insurance immediately by giving you notice in writing if you do not comply with these terms of business, including without limitation if you do not make any payment to us when it is due and you still do not make payment within 30 days of us reminding you that payment is due.

We may also terminate our appointment to act as your agent in relation to the insurance by giving you 30 days' notice in writing if you are not at fault but we would like to

end our appointment. In such circumstances, our appointment to act as your agent in relation to the insurance will not end until 30 days after the day on which we notify you of our wish to terminate.

Termination of our appointment does not affect the rights, obligations or liabilities of either you or us in relation to the insurance, which have accrued prior to the date of termination, but following the termination we will owe you no further obligations to provide any services in relation to your insurance. Upon termination of our appointment all relevant files and claims files held by us will be transferred to the new broker appointed by you according to your instructions. In the event you wish us to continue to handle these claims on your behalf and we agree to do so, we reserve the right to charge a reasonable fee for these services.

As our commission or fee for bringing about or arranging the insurance is fully earned when your insurance is successfully placed, any unpaid commission or fee will become immediately due and payable to us upon termination of our appointment.

10. OUR RESPONSIBILITY FOR LOSS OR DAMAGE SUFFERED BY YOU

If we fail to comply with these terms of business, we are responsible for loss or damage you suffer that is a foreseeable result of our breaking these terms of business or failing to use reasonable care and skill, but we are not responsible for any loss or damage that is not foreseeable. Loss or damage is foreseeable if either it is obvious that it will happen or if, at the time this contract was made, both we and you knew it might happen.

We are not responsible for delays outside our control. If the supply of our services is delayed by an event outside of our control then we will contact you as soon as possible to let you know and we will take steps to minimise the effect of the delay. Provided we do this we will not be liable for delays caused by the event, but if there is a risk of substantial delay you may contact us to end our appointment to act as your agent in relation to the insurance.

11. RIGHTS OF THIRD PARTIES

No term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Ordinance (Cap. 623) by a person who is not a party to this Agreement.

Please contact us immediately if there is anything in these terms of business that you do not understand or with which you disagree, or if you have any questions. Please contact your usual contact in the first instance who will be pleased to assist you.

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APPENDIX 1 - PERSONAL INFORMATION COLLECTION STATEMENT

We are committed to protecting the privacy of your personal data.

The basics

We collect and use relevant information about you to provide our services to you. It is voluntary for you to provide information to us. However, if you do not supply information to us, this may affect our ability to provide our services to you, including (as applicable) arranging the insurance cover from which you benefit and may prevent us from providing cover for you or handling your claims.

This information includes details such as your name, address and contact details and any other information that we collect about you in connection with the insurance broking services we provide to you. This information may include more sensitive details such as information about your income, health and any criminal convictions you may have.

The way insurance works means that your information may be shared with, and used by, a number of third parties in the insurance sector for example, insurers, agents or brokers, reinsurers, loss adjusters, sub-contractors, regulators, law enforcement agencies, fraud and crime prevention and detection agencies and compulsory insurance databases. We will only disclose your personal information in connection with the insurance broking services that we provide and to the extent required or permitted by law.

Want more details?

For more information about the kind of personal information we hold, main purposes for which it is held or is to be used please see our Privacy Policy Statement, which is available online on our [website](https://www.locktoninternational.com/apac/privacy-and-spam-policy) (<https://www.locktoninternational.com/apac/privacy-and-spam-policy>).

Contacting us and your rights

You have a right to make a data access or correction request concerning your personal information held by us. We may charge a fee for processing a data access request. You may make such a request by writing to our Data Access Officer at 16/F, Berkshire House, Taikoo Place, 25 Westlands Road, Quarry Bay, Hong Kong and completing a Data Access Request Form specified by the Privacy Commissioner for Personal Data which can be downloaded from www.pcpd.org.hk.