OSBORNE & SONS ADDENDUM TO TOBA
(Commission, Professional Fees, and Charges)

Costs of operation

Our clients use the services of an insurance consultant because there may be a fear in purchasing insurance without the in person experience (i.e. direct from insurer or internet). They value the reassurance a consultant brings to the purchase as they may not have sufficient knowledge or understanding of general insurance products. They can be unclear about what they legally require and actually require, they may also need help in understanding how the policy they have or are considering buying will help them, and feel a sense of ease knowing we are there to support them in the event of a problem or claim and ensuring an insurer acts accordingly.

Our service includes:

• identifying and clarify a client's requirements – their demands and needs;
• identifying an insurance product/service that best matches these requirements using our in-depth skills and knowledge of the industry;
• We provide information and advice on the products/solutions available; and
• We explain the result to our client in terms that they can understand.
• Assisting the customer should they need to make a claim or in the event of a problem or dispute with a insurer

It takes many years and much investment to have access to the number of insurers and products we offer and in to gaining the market knowledge of what insurers may be competitive in which areas.

With commission levels received on insurance policies sold being at the lowest level in recent history, the increased costs of regulation, recruitment, staff retention, training and welfare, in addition to inflationary pressures the costs of operating are immense. To this end the receipt of pure commission only would not make for a viable business leaving customers without access to our services which we consider would be harmful.

Our primary aim is to ensure, for any customer (or potential customer) that we act honestly, fairly, and professionally, and in the customers best interest, including giving customers information they might need to understand the relevance of any information we provide, as well as objectively giving that information when it is most useful to a customer to enable informed decision making.

Remuneration

Taking in to consideration all costs involved in running the business it is necessary to charge Professional Fees in addition to the commissions received and a standard fee will be charged where the product is standard and a normal reasonable amount of time has been spent sourcing a solution. As standard the fees charged will be:-

Personal Lines Clients

- Arranging new policies - £50
- Mid term adjustments - £25
- Mid term cancellation - £50 (in addition to any claw back of commission which would have been earnt)
- Renewals - £50
- Duplicate documents (where they are not sent electronically) - £25

Commercial Lines Clients

• Arranging new policies - £75
• Mid term adjustments - £75
• Mid term cancellation - £75 (in addition to any claw back of commission which would have been earnt)
• Renewals - £75
• Duplicate documents (where they are not sent electronically) - £25

Unfortunately the nuances or variation for insurance solutions is endless and a broad brush approach is not sufficient for all Professional Fees. Therefore where the product is non standard, where there may be specific and complicated time consuming requirements, or by virtue of the customer interaction taking considerably more time than would be deemed normal, or the cost of client acquisition is large an increased Professional Fee will be charged commensurate to the complicities and time involved in obtaining a solution but only when the business believe that:

1. The fees are justified when compared to the costs associated with distributing and running the product
2. The fees and level of commission are proportionate to the firm's activities associated with distributing/servicing the policy
3. A comparative market review of competitors demonstrates that the fees stand well in the market and are not unreasonable
4. We believe that from an ethical and moral perspective, the firm is upholding good and orderly market practices
5. In addition to the product deemed by the customer to be fair value by virtue of the purchase the business will measure this by way of customer feedback invitation and monitoring register

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