



2021

**LOCKTON INSURANCE BROKERS LLC  
BUSINESS PRINCIPLES**

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Level 2, 5 Ibrahim Naguib St., Garden City,  
PO Box 11519, Cairo, Egypt  
[www.lockton.com](http://www.lockton.com)

A limited liability company registered in the Arab Republic of Egypt

Authorized and regulated by the Egyptian Financial Regulatory Authority  
with Registration No. 75

## 1. INTRODUCTION AND SCOPE

Lockton Insurance Brokers is an Egyptian Joint Stock Company (“LIB”) located at 5 Ibrahim Naguib St., Level 1, Garden City, PO Box: 11519, Cairo, Egypt. We are authorized by the Egyptian Financial Regulatory Authority (Ref: 75) ruled by the provisions of Law No. 159 and Law No. 10 of 1981 to conduct Insurance Intermediation and Insurance Management.

Our intention in issuing these Business Principles is to establish clearly and concisely with you the basis on and extent to which we will provide you with services in relation to each insurance policy which we arrange on your behalf, unless there is a more specific agreement between us. We also highlight certain important insurance practices and procedures that apply when arranging insurance, and provide you with more general information on our services.

We would urge you to read this document carefully, and use the information to decide if our services are right for you, particularly the sections entitled:

**Placing Services** which sets out the basis upon which we will act as your agent in relation to each insurance policy which we arrange on your behalf;

**The Receiving and Holding of Client Money** which sets out how we hold client money;

**Remuneration and Other Income** which sets out details of our earnings; and

**Limitation of Liability** which sets out how we limit our liability.

If you do not wish our relationship to be governed in such a manner, please advise us in writing before we proceed to arrange your insurance.

## 2. MANAGEMENT AND SERVICE STANDARDS

### QUALITY AND STANDARD OF SERVICE

In providing you with the services described in this document, we will advise you in accordance with your instructions in a professional and expeditious manner.

### MANAGING YOUR REQUIREMENTS

We will assign one or more Associates to take responsibility for the provision of the services which are described in this document. Such person(s) will be your primary point(s) of contact in relation to each insurance policy that we arrange or administer on your behalf and we will ensure in so far as reasonably possible, continuity of and accountability for the services which we provide. The assigned Associate(s) will be supported by other employees to assist in the provision of the services and to provide service cover when required. Our aim is to deliver insurance solutions that satisfy your requirements effectively and efficiently.

## 3. TERMINOLOGY & LANGUAGE

In order to avoid repetition of words used in this document, “the insurance” means each contract of insurance which we arrange or bring about on your behalf, “Insurer(s)” include any insurer or other category of risk bearer and “claim” includes an incident which may give rise to a claim, as appropriate to the insurance.

All documentation, correspondence and communication we provide to you will be in Arabic unless we separately reach agreement with you to use of another language.

## 4. PLACING SERVICES

### ESTABLISHING YOUR DEMANDS AND NEEDS

In good time before negotiations with the Insurer(s) commence, we wish to establish a proper understanding of your insurance requirements. We will assist where necessary in the gathering and collation of material risk information and in its preparation for submission to the Insurer(s) who we consider to be appropriate. In that regard, we would draw your attention to the sections of this document entitled **Duty of Disclosure** and **Selection and Solvency of Insurer(s)**.

## **QUOTING AND PLACING**

We will seek from Insurer(s) on your behalf, competitive indications for insurance and coverage which are, in our opinion, suitable in terms of both price and coverage offered and we will advise you of the terms indicated by the Insurer(s) in such a manner as to enable you to make an informed decision on which insurance, if any, to purchase.

We will take diligent and timely steps to implement your instructions and, subject to available insurance market, place all the required insurance before its intended date of inception, renewal or extension, confirming to you prior to such date the coverage that is in place. If we are unable to fulfil your instructions we will bring this promptly to your attention.

## **PLACEMENT OF INSURANCE WITH MULTIPLE INSURERS**

Once satisfactory security has been selected the insurance may be offered to a single Insurer or to a number of Insurers to co-insure, if we believe the insurance necessitates the involvement of more than one Insurer.

## **DOCUMENTATION**

We will advise you by facsimile, letter, e-mail or other agreed means of communication, of the completion of the insurance arrangement(s). We will then arrange for appropriate documentation to be forwarded to you, which will provide you with formal confirmation or evidence of the insurance and the amount of premiums payable in respect thereof. We advise you to check this documentation when you receive it:

- An Evidence of Cover (which may be in one of the following forms: a policy and/or cover note from the insurer and/or a certificate) will provide details of the full terms of the insurance and identifies the Insurer(s) with whom your insurance has been placed. You should check the Evidence of Cover and satisfy yourself that it is entirely in accordance with your understanding and instructions. Any variance should be advised to us immediately and any correspondence should quote the evidence of cover reference.
- A Premium Debit Note/Invoice will indicate the gross premium charged by the Insurer(s) for the insurance plus applicable taxes, any deductions allowed for you and the net amount of premium payable to us. Where an Insurer requires premiums to be paid directly to them, this will normally be indicated on the premium debit note or invoice.
- A Policy/Certificate will set out comprehensively the terms of the insurance and replaces any earlier evidence of cover.

## **TAXES, DUTIES & OTHER CHARGES**

Any insurance premium tax, duty or other charge which is payable in addition to the premium (for which the policyholder is responsible) and which need to be remitted to the appropriate authority by the Insurer(s), or which is allowed by the Insurer(s) to be deducted from the premium payable, will be indicated on the premium debit note or invoice. If a tax, duty or other charge is allowed to be deducted by you from the premium or is not paid by Insurer(s), it will become your responsibility to ensure that it is remitted to the appropriate authority.

## 5. DUTY OF DISCLOSURE

### **YOU MUST BE AWARE OF THE DUTY OF DISCLOSURE IN RELATION TO YOUR INSURANCE AND THE SEVERE CONSEQUENCES OF ITS BREACH**

The duty of disclosure requires you to provide Insurer(s) 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(s) (not necessarily the Insurer in question) would wish to take into account when considering whether or not to accept the insurance and 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 policy include specific ongoing disclosure conditions or warranties which effectively extend the duty of disclosure post inception of the policy.

In completing a proposal or claim form or any other material document relating to an insurance policy 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).

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.

## 6. SELECTION AND SOLVENCY OF INSURERS

We have access to many insurers to obtain the best cover terms available for our clients.

We will provide you with the name of any insurer we are recommending or using to insure your risk. We only use insurers authorized by the Insurance Authority for risks and liabilities located within the Arab Republic of Egypt and we do use our reasonable endeavors to protect the interests of our clients by reviewing and monitoring the suitability of all reinsurers that we use. If you require additional information on any insurer we have used to protect your assets, liabilities or people within the Arab Republic of Egypt, we will send you a copy of their latest published financial report.

The final decision on the suitability of any insurer does rest with you. If you have any concerns about the security we are proposing to provide cover, you are requested to contact us immediately. Unless we hear from you by return to the contrary we will proceed and bind cover on the basis proposed.

## **7. CONFIDENTIALITY AND SECURITY OF INFORMATION**

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.

## **8. CLAIMS SERVICES**

We will administer your claims fairly and promptly. You must notify us as soon as possible of any claim you have or of any circumstance that might give rise to a claim from you. Some insurance policies include claims control or co-operation conditions requiring prompt notification of a claims or claim circumstances or occurrences as a condition of the cover and some may specify a time period or format for notification.

We will tell you when confirming cover who you should contact if you have a claim and will assist you in submitting your claim and in seeking settlement from reinsurers.

If a conflict of interest arises in relation to a particular claim, an insurer reserves rights, declines cover, delays settlement or becomes insolvent, we will inform you and seek instructions. We will not accept liability for any unpaid amounts due from insurers.

In the event that our services are terminated, claims files will be transferred to your new broker according to your instructions. But, if you wish us to handle run-off claims on your behalf and we may agree to do so but reserve the right to charge a reasonable fee for these services.

## **9. MAINTENANCE OF RECORDS**

During the period of our appointment, we will make, maintain and keep a record of all material particulars relating to our arrangement and/or administration of the insurance, including the notification, processing and resolution of any claims under the insurance for which we provide claims related services. Such records may be kept in paper based, electronic or any other medium we consider appropriate provided that they are either in a legible form or capable of being reproduced in a legible form.

Subject to any lien which we may be legally entitled to exercise, we will reproduce and forward to you (or to any party you request), copies of the documents and records to which you as our client are legally entitled, but we reserve the right to charge you for the reasonable costs of reproduction and forwarding and to retain copies for our internal requirements.

## **10. CONFLICTS OF INTERESTS**

In performing our services, situations may arise where we have conflicting interests and we wish to highlight our normal procedures in relation to these.

Where we act as agent for two or more clients involved in the same or a related loss situation, we will advise the client involved of our conflicting interests (if any) and take immediate steps to segregate the claim servicing functions provided to each of the involved clients. These steps will normally include the assignment of different Associates within our Claims Teams to represent the claim interests of each involved client and the establishment of direct communication procedures.

Should a situation arise where our own interests conflict with any duty we owe to you, we will not proceed until such time as you have been fully apprised of the position. 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.

A full copy of our Conflicts of Interests Policy is available upon request from your usual point of contact.

## **11. REMUNERATION AND OTHER EARNINGS**

As your chosen insurance intermediary, we earn a commission payment from the insurance company with whom the insurance is placed and our commission is taken from your premium payment upon receipt and usually calculated as a percentage of the insurance premium. This percentage will have been contractually agreed between us and the insurance company. We earn different percentages for different classes of business and from different insurance companies.

## **12. THE RECEIVING AND HOLDING OF CLIENT MONEY**

Insurance monies are any monies that we receive in the course of arranging or administering insurance on your behalf, or which we treat as insurer monies.

## **13. LIMITATION OF LIABILITY & FORCE MAJEURE**

### **LIMITATION OF LIABILITY**

- (a) The following provisions of this section set out our entire financial liability (including any liability for the acts or omissions of its employees, agents and sub-contractors) to you in respect of all losses, claims or liabilities arising under or in connection with this Agreement (including in respect of any indemnities), whether in contract, tort (including negligence), breach of statutory duty, or otherwise.
- (b) All warranties, conditions and other terms implied by law are, to the fullest extent permitted by law, excluded from this Agreement.
- (c) Nothing in this Agreement excludes or limits our liability for death or personal injury caused by our negligence or for fraudulent misrepresentation.
- (d) Nothing in this Agreement excludes or restricts our duty or liability to you under the applicable regulatory system.
- (e) Subject to clauses b), c) and d) above, our total liability to you, shall in aggregate be limited to EGP 2 Million and we shall not be liable to you for loss of or corruption of data, loss of profit, loss of anticipated savings, loss of business, loss of opportunity, depletion of goodwill, additional operational and administrative costs and expenses, the cost of procuring replacement goods or service, or any indirect or consequential loss or damage.

## **FORCEMAJEURE**

Neither party shall be in breach of this Agreement nor liable for delay in performing, or failure to perform, any of its obligations under this Agreement if such delay or failure results from the events, circumstances or causes beyond its reasonable control, which shall be deemed to include, but not be limited to the following: act of God; civil commotion; failure of third party suppliers; sabotage; labour dispute and industrial action; delay of (Re)Insurer(s); explosion; or fire; and in such circumstances the time for performance shall be extended for a period equivalent to the period during which performance of the obligation has been delayed or failed to have performed, provided that if the period of delay or non-performance continues for 12 weeks, either party may terminate this Agreement by giving 14 days written notice to the other party.

## **14. 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 register a complaint, please notify your usual contact either in writing or by telephone.

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.

## **15. 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 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 organization we have in place strict anti-bribery and corruption practices in accordance with applicable laws, regulations and best practice.

Any insurance transaction or payment to or from a country subject to any form of sanction may be prohibited or subject to restrictions.

## **16. TERMINATING OUR APPOINTMENT**

Either you or we may terminate our appointment to act as your agent in relation to the insurance by giving at least 30 days' notice in writing.

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 termination date, but following the termination we will owe you no further obligations to provide any services in relation to your insurance. Upon termination of appointment all relevant files and claims files for the run-off will be transferred to the new broker appointed by you according to your instructions. In the event you wish us to handle run-off 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 the insurance incepts, any unpaid commission or fee will become immediately due and payable to us upon termination of our appointment.

## **17. LAW AND JURISDICTION**

LIB undertakes its activities as an insurance intermediary in accordance with the laws of the Arab Republic of Egypt. Any disputes will be governed by and construed in accordance with the laws of the Arab Republic of Egypt and the parties submit to the exclusive jurisdiction of the courts of the Arab Republic of Egypt.

Please contact us immediately if there is anything in these Business Principles 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.

If we do not hear from you within 30 days of receiving these Business Principles or if we receive an instruction or confirmation of an order to arrange cover on your behalf, whether or not within the 30 day period, this will in any event be deemed acceptance by you of these Business Principles.