

Tour Operators Financial Failure Insurance Proposal Form

'A bond protecting your customers deposits & advanced payments'

Proposal Form

Applicant name

Ltd company

Sole Trader

Partnership

Association

Trading names

Business address

Postcode

Telephone

Email address

Company registration no.

Date of incorporation

Financial year end

Date trading began

Issued share capital

If not fully paid up, give details

Parent company

Address

Ultimate holding company

Address

Details of other subsidiaries

Membership of trade organisations

Do your trips include flights?

Do you hold an ATOL?
(Air Travel Organiser's Licence)

Name of ATOL bond guarantor insurer/ bank

Value £

Expiry date

Owners and directors

Please provide the full names and private addresses of each Director/Partner/Sole Trader together with their % shareholding/partnership. Working Directors/Partners should be marked – “W” and brief background details should be enclosed on a separate sheet.

	Name	Private Address	Shareholding	Working (W)
1.			%	
2.			%	
3.			%	
4.			%	

Names and addresses of all other principal shareholders, not being directors (i.e. 5% or more of holdings) and the percentage of shares held by each

	Name	Private Address	Shareholding	Working (W)
1.				
2.				
3.				
4.				

Costing formula

Please show projections for the 12 month period from your application / renewal date (whichever is applicable), for package holidays you organise and which you intend to cover under this insurance;

	(Destination)	U.K.	Europe	Other
Number of passengers				
Max cost per passenger		£	£	£
No. of days duration				

Please provide a breakdown for a typical holiday in each category

Transport cost	£	£	£
Accommodation cost	£	£	£
Ground costs	£	£	£
VAT (TOMS) (Y/N) (Tour Operator Margin Scheme)	£	£	£
Profit Margin, £	£	£	£
Selling price, £	£	£	£

Usual deposit or %

Final balance due Month main brochure is released

Third Party Supplier Payments:

Percentage (%) paid to suppliers: Before dep: After dep: Completion

Principal destinations or
Principal countries

Do you accept payment by credit card from customers?

If YES, give details (e.g. Visa Mastercard
Amex*)

Projected turnover

	Q1	Q2	Q3	Q4	Total
	Jan –Mar	Apr- Jun	Jul - Sep	Oct - Dec	
Quarterly turnover	£	£	£	£	£
Insurable turnover	£	£	£	£	£
Average holiday cost	£	£	£	£	£

Insurable Turnover is the amount of money received from clients.

Is Insurable Turnover different from Total Turnover?

If Yes, please explain

Please state sum insured required £

£

The sum insured should be no less than 60% or “the highest quarter turnover”.

If you have reason to believe that this calculation gives an inadequate sum insured, please explain why and provide a breakdown of your calculation a separate sheet.

Declaration

- (a) ever had a judgment debt registered?
- (b) ever been Bankrupt or in Receivership or Liquidation or Administration?
- (c) any unresolved or pending legal actions or other disputes against them?
- (d) had any trade accounts closed for non-compliance with terms?
- (e) any arrears of more than three months in payment of PAYE/NIC/suppliers?
- (f) Has any Insurance Company or Bank declined to act as Surety on your behalf?

Yes/No
Yes/No
Yes/No
Yes/No
Yes/No
Yes/No

- I declare that the statements and particulars are true and that to the best of my knowledge, I have not withheld any information which could materially affect this Application.
- I authorise MGA Cover Services Limited and The Insurer to contact any source to obtain any information they may require and understand that The Insurer reserves the right to decline this Proposal without giving a reason.
- I confirm I have read the Terms and Conditions of MGA Cover Services Limited (attached to this proposal form).

This part of the form is to be signed by either:

All Sole Traders, or

All Partners, or

Two Directors, or

The Company Secretary and one Director as appropriate:

Name	Position	Signature	Date

Enclosures

Please enclose the following with your application:-

- Audited accounts covering last 2 years
- Audited accounts covering last 2 years of holding Company (where applicable)
- If business has been formed in last 2 years, full business plan
- Bank Position statement
- One copy of brochure/leaflets, including booking form and your Terms and Conditions
- Payment of £50.00 the credit check fee

Made payable to:

MPI Brokers (by cheque or BACS)

MPI Brokers Account Details: Barclays Bank
Sort Code: 20-31-06
Account Number: 00754013

Once completed please send form and appropriate documentation to:

MPI Brokers
West House
19-21 West Street
Haslemere
Surrey
GU27 2AB

Fax: 01428 645209

MGA COVER SERVICES LIMITED: INITIAL DISCLOSURE DOCUMENT AND CLIENT TERMS OF BUSINESS
COMMERCIAL CUSTOMERS

1. **MGA COVER SERVICES LIMITED.** (Company number 08444204) also trades as AFS and is authorised and regulated by the Financial Services Authority (FSA). Our registration number is 597536. You can check this on the FSA's Register by visiting the FSA's website www.fsa.gov.uk/register or by contacting the FSA on tel (0845) 6060 1234. Registered office Farren House The Street, Farren Court Cowfold West Sussex RH 13 8BP.
2. **Interpretation:** In this document, insurance refers to a contract of general insurance as defined in the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001. This definition includes surety bonds.
3. **Service Standards:** we aim to give the highest level of service and conduct ourselves with the highest possible professional standards at all times. We place the interests of our clients before our own and will, declare any conflict of interest to you.
4. **Communication:** We will communicate with you by post, telephone, fax or e-mail, as appropriate. You and we each accept that electronic communication is acceptable and that such communications constitute written confirmation.
5. **Language:** whilst we have some ability in foreign languages, if you are in another EEA state we will ask you to request communication in English.
6. **Client Money and Insurer Money:** We will hold money you pay us in either:-
 - a) a Statutory Trust Account or a Non Statutory Trust Account in accordance with FSA Client Assets Sourcebook (CASS) rules, in which case some monies which you pay to us may be held in the account as client money whilst other money may be held as agent of an insurer to the extent permitted by the FSA. Money may include sums relating to premiums and claims; or
 - b) in respect of money paid to us and held as agent of an insurer under a delegated authority, in an account on behalf of the insurer, in which case the money is insurer money
7. We will keep client money in a general client bank account unless you specifically request and we agree that we keep money that you pay us in a client account designated for you.
8. We may earn interest on money held in client money accounts and such interest is retained by us.
9. If we place insurance for you through another broker we will obtain confirmation from them via a terms of business agreement that they are holding such money either in a client money account or as agent of the insurer with whom they place the insurance.
10. **Confirming cover:** Payment of cleared funds will assume that you wish to proceed and there is no need for additional written confirmation from you, that you accept a quotation and ask us to place cover, or if you wish to renew or make a change to an existing insurance. Payment signifies that you are entering into a contract.
11. **Demands and needs:** You WILL NOT receive advice or a recommendation from us for insurance. We may ask some questions to narrow down the selection of products that we will provide details on. You will then need to make your own choice about how to proceed. We will provide you with information about the insurance which you must use to assess your demands and needs.. The bond, guarantee or indemnity or other type of insurance cover will suit the Demands and Needs of a company who require certain travel company related insurance products. Full details of the specific cover and terms and conditions can be found in the policy information/booklet.
12. **Whose products do we offer?** We offer surety bonds from a range of insurers. We also offer Scheduled Airline Failure Insurance, Supplier Failure Insurance, Financial Failure Insurance and Travel Disruption Insurance from one insurer (CBL Insurance Europe Ltd).
13. **Payment of premiums:** we will send an invoice (or debit note) for each insurance arranged or for amendments or adjustments thereto, and, unless stated otherwise, such sum will be due for immediate payment. We cannot grant extended credit as we have to comply with insurers' terms of credit. In some circumstances we may request payment of the premium before being able to confirm cover with an insurer.
14. If there is a credit balance on your account with us then we may offset sums due against such credit and then either pay a net refund or render an account for the net balance due. We will refund any sums due to you by issuing a credit note and refunding the sum to you without undue delay. If there is a debit balance on your account with us then we may set credits off against any sum due to us.
15. **Security of Insurers:** we do not guarantee the security of any (re)insurer and shall not be liable for any losses which you may incur as a result of any solvency difficulties of any (re)insurer.
16. **Cancellation:** Unless we tell you otherwise, you should assume that the total premium under any insurance is due in full at inception and there is no option to cancel or obtain a refund.
17. **Premium Finance:** if applicable, we may be able to arrange premium finance with a third party finance company. This must be done immediately after the inception or renewal of the insurance and you must complete and return any documentation required to set up such a credit facility without delay. If you do not complete the documentation in time for us to complete the credit and pay the insurer in accordance with their terms of credit, then the whole of the premium due must be paid immediately without the use of a finance company.
18. **Fees:** We are generally remunerated by commission payable by insurers, and no fee is payable for our services unless we agree with you in advance. Quotations will tell you about any other fees relating to any particular insurance policy. We can provide details of our remuneration on request
19. **Remuneration:** Our normal means of remuneration is from commission or brokerage earned on insurances placed, or by way of a fee negotiated and agreed with you. We will not impose on you any fees or additional charges without prior notification or discussion with you. Brokerage and fees are earned for the policy period on placement and we will be entitled to retain all fees and brokerage in respect of the full policy period in relation to policies placed by us. We may also act as a reinsurance broker and/or service provider to insurers with whom we have placed your insurances and receive remuneration by way of administrative fees or commissions for

services so provided to underwriters. Some insurers will also pay additional amounts to insurance intermediaries, usually at the end of their accounting period and normally on a contract by contract basis, in recognition of profitability (sometimes called "profit commissions"), prompt payment or based on a volume incentive. These are not "PSAs" (Placement Service Agreements) nor "MSAs" (Market Service Agreements). We do not operate PSAs or MSAs for any service we provide to insurers. We may receive remuneration from premium finance and credit agencies.

20. **Claims.** You must notify us immediately you become aware of any circumstance which may give rise to a claim at the following address: MGA Cover Services Limited, Farren House The Street, Farren Court Cowfold West Sussex RH 13 8BP; by telephone: 02035404422; or by e-mail: info@mgacs.com. You must provide us with every co-operation and all information required in order to facilitate the claim. You must not withhold any material information or make any false or inaccurate statement in connection with any claim.
21. **Material Facts:** Please note that in connection with any insurance contract you have a duty to disclose all circumstances material to the insurance. Failure to do so may invalidate the insurance or enable the insurer to decline claims. The obligation to disclose material facts exists both at the time when the insurance contract commences and throughout the duration of the contract. If you are in any doubt as to what constitutes a material fact you should consult us.
22. **Complaints:** if you wish to register a complaint, please contact us: In writing by letter to: the Compliance & Risk Manager, MGA Cover Services Limited, Farren House The Street, Farren Court Cowfold West Sussex RH 13 8BP; or by e-mail to: info@mgacs.com. Any complaint will be dealt with promptly in accordance with our complaints procedure, a copy of which is available on request. If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, LONDON, E14 9SR; tel (0845) 080 1800, fax 020 7964 1001.
23. **We are covered by the FSCS.** You may be entitled to compensation from the Financial Services Compensation Scheme (FSCS) if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Insurance advising and arranging is covered for 100% of the first £2,000 and 90% of the remainder of the claim, without any upper limit. For compulsory classes of insurance, insurance advising and arranging is covered for 100% of the claim, without any upper limit. Further information about compensation scheme arrangements is available from the FSCS.