

REGULATORY MATTERS

Conflicts of interests



This document sets out Miller's commitment to mitigating or managing conflicts of interests and, in doing so, ensuring that it acts with integrity and in its clients' best interests. This document applies to all Miller Group entities, including Miller Insurance Services LLP, Miller Europe SPRL, Miller Singapore PTE and Alston Gayler & Co Ltd, hereafter referred to as 'Miller'.

This document should be read in conjunction with the Client Terms of Business Agreement (TOBA), which would have been provided to you previously, a further copy of which is available upon request.

What is a conflict of interests?

A conflict of interests is where one party's duty or obligation to another party will be improperly influenced by another conflicting individual interest, that may interfere with the appropriate delivery of that duty or obligation. Miller would face a conflict of interests where:

- » its own interests conflict with those of its clients; or
- » it is unable to act in the best interest of one of its clients, without potentially adversely affecting the interests of another of its clients.

Miller's commitment

Miller seeks to avoid conflicts of interests. However, in some instances, this will not be possible and, in such cases, Miller will ensure that the conflict is managed fairly and that clients' interests are put first. When acting on behalf of our clients, we will not put ourselves in a position or enter into a transaction where our own interest, or duty to another person for whom we act, conflicts with our duty to any client, unless appropriate information is disclosed to the client and, where necessary, the client's informed consent is obtained.

Policies and procedures

Miller's conflicts of interests control framework is ultimately designed to ensure that, on a day to day basis, Miller achieves fair outcomes for its clients and that it is not compromised by the undue influence of conflicts of interests. The framework is essentially built around three pillars, these being the identification, mitigation or management, and monitoring of conflicts of interests.

Identification

Miller regularly undertakes scenario based analysis to identify potential overarching conflicts of interests, which are either typically inherent for an insurance intermediary or may arise from Miller's own business practices. Each of these are thoroughly reviewed in advance of deciding how they will be mitigated or managed.

Miller also recognises that new and specific conflicts of interests may arise from day to day activities or changes to its business practices. Whilst these are likely to have been considered as part of the scenario analysis, our personnel are required to escalate any potential or actual commercial or personal conflicts of interests to our central Compliance Function. Personnel have a duty and obligation to undertake their activities for the benefit of the firm and its clients, without being unduly influenced by conflicting interests for personal advancement or achievement. They are provided with regular conflicts of interests training and are required to complete an annual personal conflict of interests' declaration.

Mitigation or management

Each identified conflict of interests is fully assessed, following which suitable mitigating or management systems and controls are implemented. Miller's central Compliance Function will work with relevant parties to ensure that proposed controls are fit for purpose.

Monitoring

Each conflict of interests control is subject to regular monitoring by Miller's central Compliance and Internal Audit functions, the results of which are ultimately overseen by Miller's Partnership Board. Such monitoring will confirm that the controls are being correctly applied and that they remain fit for purpose. Controls will be enhanced where necessary.

Examples

Miller's conflicts of interests related controls are formally documented within its suite of operational policies and procedures, which are regularly updated and made available to all personnel. Ad hoc conflicts of interests are also separately recorded in a central register, ensuring that they can be regularly monitored and closed when the conflict no longer exists. Appendix A provides examples of conflicts of interests that may arise from Miller's business practices and how they are mitigated or managed.

Appendix A: Examples of conflicts of interests



Potential conflicts of interest	Mitigation or management controls
<p>Approach to market</p> <p>Miller will approach the insurance market to obtain a client quote in one of the following ways:</p> <ul style="list-style-type: none"> » Fair analysis of the market: analysis of terms and conditions offered from a number of carefully selected insurers, which are a fair representation of the terms and conditions available in the market as a whole. » Limited analysis of the market: analysis of terms and conditions offered by selected insurers and not from across the market as a whole. » Single analysis of the market: approach to one insurer only. 	<ul style="list-style-type: none"> » The approach to market undertaken by Miller for any particular quote will be influenced by a number of factors, including market knowledge and access, underwriter appetite, cost efficiencies and client timescales. » Client quote documents will specifically inform clients of the approach to market undertaken. » Unless already specified, upon request, Miller will provide a client with the full list of insurance companies approached.
<p>Acting as agent of insurers</p> <p>Miller normally acts as agent of its client. However, in some cases, it may act as agent of insurers.</p> <p>Miller may enter into facility arrangements with specified insurers, which may include delegated binding authority. Whilst Miller acts as the client's agent for the purposes of providing broking services, under such arrangements, Miller may also act as agent of the insurers in respect of certain delegated activities, which may include underwriting the insurance risk and committing insurers to the contact of insurance. Miller may provide quotations to its clients from such arrangements.</p>	<ul style="list-style-type: none"> » Miller's client TOBA provides further details of the types of activities that it will undertake as agent of insurers. » Facility arrangements are entered into for the best interest of clients, the benefits of which include access to enhanced terms, cost and time efficiencies and reduced premiums. » Client quote documents will confirm if a quote has been provided from a Miller facility. » Quotes from a Miller facility will only be offered if they are suitable and, where other quotes are available, they best meet the clients' insurance demands and needs. » Miller will not act as agent of insurers when handling claims.
<p>Conflicting client interests</p> <p>Miller may be placed in a situation whereby the interest of one client or insured will conflict with that of another client or insured, for example:</p> <ul style="list-style-type: none"> » where they are involved in the same or related insurance loss or dispute, or » where Miller is in receipt of information from one party, which would be advantageous or disadvantageous to the other party. 	<ul style="list-style-type: none"> » Where conflicting clients' interests are identified, information barriers will immediately be erected, which will include the allocation of each party's interests to two separate and distinct teams or individuals within Miller, which will be further strengthened by enhanced records' access restriction controls. » Where appropriate, Miller will write to notify each party of the conflict of interests and proposed controls, and inform them that that Miller will only continue to act on their behalf following the provision of their explicit consent.
<p>Personnel conflicts of interests</p> <p>Personnel conflicts of interests may arise where the following exists:</p> <ul style="list-style-type: none"> » Relatives working in other insurance industry companies, clients or insureds » Directorships in external companies » Shareholdings or personal investment in another insurance industry company, client or insured. 	<ul style="list-style-type: none"> » All personnel must complete a personal conflict of interests declaration, both upon joining Miller and annually thereafter. » Directorships and investments in clients or insurers must be approved by the Miller Partnership Board. » Miller's central Compliance Function will decide on the controls necessary to mitigate and manage any personal conflict of interests, which will be monitored on a regular basis. In all cases, any interaction with an associated firm will be subject to close supervision by a suitably senior Miller Officer.

Appendix A: Examples of conflicts of interests



Potential conflicts of interest	Mitigation or management controls
<p>Group conflicts of interests</p> <p>The Miller Group consists of a number of legally separate and regulated insurance broking companies, which may have common clients.</p>	<ul style="list-style-type: none"> » Whilst each of the separate legal entities benefit from central group services such as Compliance, Finance and IT, the broking and client facing divisions of each entity are controlled by robust information barriers.
<p>Gifts and entertainment</p> <p>On occasions, Miller personnel may receive gifts and be provided with offers of entertainment from individuals at other insurance industry companies.</p>	<ul style="list-style-type: none"> » Our personnel must declare and obtain approval to received gifts and entertainment that exceed a certain monetary value. In some instances, where these are excessive, they will be declined. » Each declared gift and entertainment is recorded centrally and monitored on a regular basis to ensure that they do not unduly influence any individual decisions.
<p>Remuneration</p> <p>Miller is normally remunerated by commission earned on insurances placed to and paid by insurers, or by a fee negotiated and agreed with the client.</p> <p>Under certain facility arrangements, Miller may also earn additional remuneration from insurers for services provided to them, but these will not have an impact on the insurer quoted premiums we present to you.</p> <p>Miller may enter into profit commission arrangements with insurers, whereby Miller may be entitled to earn a share of the net profit that insurers generate from a facility arrangement.</p> <p>Miller may introduce third party premium finance providers to its clients and, should a client elect to use their services, they will pay Miller an introductory referral fee.</p>	<ul style="list-style-type: none"> » Quote documents will inform clients of any instances where Miller may earn both a fee from the client and commission from insurers. They will also inform clients of instances where Miller may be entitled to earn profit commission. » Miller does not enter into any arrangements for contingent commission based on volume of risks placed to an insurer. » Upon a client's request, Miller will provide details of the remuneration associated with the placement of any particular insurance policy. » Further details of remuneration arrangements between Miller and insurers are included in the client TOBA. » Miller will only present a quote to a client which is suitable and justifiably best meets the client's insurance requirements, which will not be unduly influenced by potential remuneration. » Where Miller introduces a client to a third party premium finance provider, it will also disclose to the client that entering into a credit agreement with that provider will be at the client's discretion and that the client is free to consider any other such provider.

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