

Let Property Terms of Business Agreement



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PARTIES

1. **UK General Insurance Limited** (referred to hereunder as the "**Company**"), a company registered in England (number 4506493) having its registered office at Cast House, Old Mill Business Park, Gibraltar Island Road, Leeds, LS10 1RJ;
2. The company , or partnership identified and detailed at the Broker Identification above the signatures at end of this Agreement (referred to hereunder as the "**Broker**"), upon condition of the completion of the Broker Identification and signature of this Agreement by a duly authorised signatory of the Broker;

WHEREAS

- A. The Company is an intermediary which from time to time is authorised under the terms and conditions of various binding authority agreements to issue and arrange insurance, on behalf of various insurers and is authorised by those insurers to sub-delegate certain aspects of its authority under those agreements.
- B. The Broker is an intermediary authorised and regulated by the FSA to undertake insurance mediation activities.
- C. The Company has agreed subject to the terms and conditions of this agreement to consider risks presented by the Broker in relation to the insurance of let property.

IT IS AGREED AS FOLLOWS:

1. INTERPRETATION

- 1.1. In this Agreement:
 - 1.1.1. "**Agreement**" means any reference to this Agreement, including schedules, between the Company and the Broker;
 - 1.1.2. "**Binding Authority(ies)**" means any or all of the relevant binding authorities under which the Company is/are respectively authorised by the Insurer(s) to issue policies;
 - 1.1.3. "**Broker**" means the Broker named above who is party to this Agreement and whose business is that of an intermediary, including that Broker acting through any of its directors, employees, contractors or agents;
 - 1.1.4. "**Broker's Commission**" means the percentage of Original Premium which the Broker may retain in relation to the Policies prior to payment to the Company of the Net Premium and the IPT due on the Original Premium and shall include all:
 - 1.1.4.1. insurance brokerage and/or commissions charged to the Policyholder by the Broker; and

- 1.1.4.2. any administration or other fees or charges charged to the Policyholder by the Broker which is subject to Insurance Premium Tax or Value Added Tax in accordance with any applicable legislation and/or regulation and as it may be amended from time to time;
- 1.1.5. " **Broker's System**" means all and any electronic, online; data management, accounting or other system or systems and software which the Restricted Coverholder from time to time either owns and or uses whether or not under licence or other permission for the purposes of its business
- 1.1.6. "**Business Day**" means a day other than a Saturday, Sunday or Bank Holiday in England and Wales;
- 1.1.7. "**CASS**" means the Client Assets Rule Book which is comprised in the FSA Handbook as amended from time to time;
- 1.1.8. "**Certificate(s)**" means every document entitled "Certificate" or "Schedule" of insurance which is authorised to be issued and/or despatched by the Broker acting pursuant to the terms of this Agreement and/or issued, authorised or despatched by the Company and/or by any agent of the Company in accordance with this Agreement and which formally confirms the existence of and is proffered as evidence of a Policy in relation to any Policyholder hereunder;
- 1.1.9. "**Claims**" means any notification or claim against or in relation to a Policy;
- 1.1.10. "**Complaint(s)**" means any expression of dissatisfaction made by or on behalf of a Policyholder whether made in writing or otherwise;
- 1.1.11. "**Complaints Process**" means the procedure agreed by the Company for use by the Broker for the handling, reporting and referral of complaints which is set out in Schedule 2 or any amendment of that Procedure which may be issued from time to time;
- 1.1.12. "**Consolidated List**" means the consolidated list of financial sanction targets which is maintained by Her Majesty's Treasury and which reflects those individuals and organisations which are from time to time the subject of financial sanctions and related legislation and/or regulatory orders whether under UK, European and/or United Nations or other international jurisdiction;
- 1.1.13. "**Contract Certainty Obligations**" means the requirements set out in the Contract Certainty Code – Guidance and Principles issued by the Association of British Insurers, the British Insurance Brokers' Association and the Institute of Insurance Brokers dated June 2007 as may be amended from time to time;

- 1.1.14. "**Credit Period**" means, in relation to all premiums, thirty (30) days from the end of the calendar month in which the risk to which that premium relates inception;
- 1.1.15. "**DPA**" means the Data Protection Act 1998 and any subordinate legislation and/or regulations issued under that Act as may be amended from time to time;
- 1.1.16. "**Escalation Process**" means the escalation process as set out in Schedule 5;
- 1.1.17. "**FSA**" means the Financial Services Authority and any successor;
- 1.1.18. "**FSMA**" means the Financial Services and Markets Act 2000 as amended from time to time;
- 1.1.19. "**ICOBS**" means the Insurance Conduct of Business Sourcebook published by the FSA, as amended from time to time;
- 1.1.20. "**Insolvency Event**" means in respect of any Party (the "Insolvent Party") if the following events occur:
- 1.1.20.1. the Insolvent Party a winding up petition is presented or a provisional liquidator or an administrator or an administrative receiver or a receiver is appointed or a scheme of arrangement or a voluntary arrangement is proposed in respect of that Insolvent Party; or
 - 1.1.20.2. the Insolvent Party goes into compulsory or voluntary liquidation except for a voluntary liquidation for the purposes of reconstruction or amalgamation; or
 - 1.1.20.3. the Insolvent Party becomes subject to any other similar insolvency process (whether under the laws of England or elsewhere); or
 - 1.1.20.4. the Insolvent Party is unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986;
- 1.1.21. "**Insurance Documents**" means in relation to any Policy, the policy wording, schedule and proposal form, statement of fact, key facts or cover summary or certificate and such other documentation as may be agreed between the Parties;
- 1.1.22. "**Insurer(s)**" means each and all of the insurance undertakings from whom the Company has binding authority from time to time;

- 1.1.23. "**IPT**" means all the Insurance Premium Tax due to Her Majesty's Revenue and Customs in relation to Original Premium and, including where relevant, all and any Insurance Premium Tax due to Her Majesty's Revenue and customs in relation to:
- 1.1.23.1. insurance brokerage and/or commissions charged to the Policyholder and/or allowed to Broker; and
 - 1.1.23.2. any administration or other fees or charges charged by or allowed to the Broker which are subject to Insurance Premium Tax in accordance with any applicable legislation and/or regulation and as it may be amended from time to time;
- 1.1.24. "**Let Property Insurance**" means each and all of the groups of Policies referred to by that name and subject to the terms and conditions of the sample Policy provided by the Company with this Agreement and as may be reissued and or amended by the Company from time to time;;
- 1.1.25. "**Marketing Materials**" means any sales and marketing literature and materials used, produced, published, displayed, issued, distributed, or made available electronically on the Broker's website or otherwise by the Broker for the purposes of this Agreement;
- 1.1.26. "**Net Premium**" means Original Premium less Broker's Commission in relation to each Policy;
- 1.1.27. "**Online System**" means the web-based trading system or systems from time to time owned and/or operated by the Company and/or their parent company or any subsidiary or associated company;
- 1.1.28. "**Online Fees**" means all the fees, administration and/or processing fees and charges levied by the Company for access to and trading upon the Online System and/or in relation to any Policy arranged on the Online System, the scale of Online Fees are as set out and displayed on the Online System and as amended from time to time by the Company;
- 1.1.29. "**Original Premium**" means the purchase price paid by the Policyholder not taking into account any IPT due from each Policyholder for each Policy issued hereunder but including all amounts of insurance brokerage or commission and all fees and/or charges which are:
- 1.1.29.1. included in or with the purchase price of the Insurance paid by the Policyholder; and
 - 1.1.29.2. are considered by Her Majesty's Revenue and Customs to be subject to Insurance Premium Tax in accordance with applicable law and/or regulation;

- 1.1.30. "**Parties**" means the Company and the Broker;
- 1.1.31. "**Policy(ies)**" means one or more, as the case may be, of the policies of insurance issued by the Broker in accordance with this Agreement and the terms of the relevant product(s);
- 1.1.32. "**Policyholder**" means any person who in accordance with this Agreement is for the time being the legal holder of any one of the Policies;
- 1.1.33. "**Record Retention Requirements**" means the requirements as set out in Schedule 4;
- 1.1.34. "**Regulatory Requirements**" means all applicable statutes, statutory instruments, orders, regulations and codes of practice (whether or not having the force of law) in force from time to time, included but not limited to, the requirements, rules, regulations, guidance and codes of practice issued under the FSMA and/or by the FSA;
- 1.1.35. "**VAT**" means all the Value Added Tax due to Her Majesty's Revenue and Customs in relation to any part of the Original Premium and including, where relevant, all and any Value Added Tax due to Her Majesty's Revenue and Customs in relation to:
- 1.1.35.1. any administration or other fees or charges charged by or allowed to the Broker which are subject to Insurance Premium Tax in accordance with any applicable legislation and/or regulation and as it may be amended from time to time.

1.2. In this Agreement unless otherwise specified:

- a) references to Clauses, Sub-clauses, Paragraphs or Schedules are to clauses, sub-clauses and paragraphs of and schedules to this Agreement;
- b) any reference to this Agreement includes the Schedules;
- c) references to a "**company**" shall be construed so as to include any company, corporation or other body corporate, whenever and however incorporated or established;
- d) references to a "**person**" shall be construed so as to include any individual, firm, company, government, state or agency of a state, local or municipal authority or government body or any joint venture, association or partnership (whether or not having separate legal personality);
- e) any reference to a "**day**" (including the phrase "Business Day") shall mean a period of 24 hours running from midnight to midnight;

- f) a reference to any statute or statutory provision shall be construed as a reference to that statute or provision as amended, modified, re-enacted or extended from time to time;
 - g) any word imputing either gender shall include the other gender and neuter and the singular form shall include the plural and vice versa unless the context otherwise requires.
- 1.3. The headings in this Agreement are for ease of reference only and shall not affect the construction of this Agreement.

2. DURATION

- 2.1. This Agreement will commence on the date on which the last of the Parties signs this Agreement (the "**Commencement Date**") and will continue in force unless and until terminated in accordance with any part of Clause 19 below.

3. STATUS

- 3.1. It is agreed that the Company is permitted by the relevant Insurers to sub-delegate to the Broker certain parts of its authority in relation to each Policy.
- 3.2. It is agreed that the Broker is appointed in respect of each Policy as the agent of the Company and Sub-agent of Insurers only to the extent provided for by this Agreement.
- 3.3. The Broker warrants that:
- 3.3.1. at the Commencement Date it is authorised by the FSA; and
 - 3.3.2. the Broker will maintain such authorisation throughout the term of this Agreement; and
 - 3.3.3. the Broker will immediately advise the Company of any loss or suspension or alteration of the Broker's authorisation.

4. AUTHORITY

- 4.1. The Broker is authorised to show samples of the Let Property Insurance policy wording which is current at the relevant time to potential Policyholders.
- 4.2. The Broker may submit to the Company and or any agent of the Company appointed for the purpose, whether electronically or otherwise, the details of potential Policyholders for underwriting consideration by the Company subject to the terms and conditions of this Agreement and in accordance with the terms and conditions of the Let Property Insurance Policy.
- 4.3. It is agreed that all underwriting authority remains with the Company and that the Broker has no delegated underwriting authority.

- 4.4. The Company and or any agent of the Company appointed for the purpose will communicate, whether electronically or otherwise, any underwriting decision to the Broker.
- 4.5. The Broker is authorised to communicate the underwriting decision to the potential Policyholder or Policyholder.
- 4.6. The Broker is authorised to issue Policies to Policyholders in accordance with the terms and conditions of the Let Property Insurance Policy. The Policy or Policies shall be substantially in the form of Policy wordings which the Company has provided to the Broker from time to time and a current copy of which is attached at Schedule 7.
- 4.7. The authority described at sub clause 4.6 above is granted only in respect of Policies processed by the Broker using the Company's Online System in accordance with the terms and conditions of this Agreement.
- 4.8. The Broker is not authorised to cancel Policies without the prior written consent of the Company save in the following circumstances:
 - 4.8.1. non-payment or late payment of premium by the Policyholder;
 - 4.8.2. at the written request of the Policyholder.
- 4.9. The Broker is required to authorise the issue of consecutively numbered Policies and Certificates and shall not authorise the despatch or issue of any Policy or Certificate more than sixty (60) days prior to the inception of the Policy. The Broker has no power to authorise the issue of any Policy or Certificate which purports to offer or evidence insurance cover prior to the date on which the Broker confirmed that it would bind that Policy.
- 4.10. In the event that the Company advises the Broker in writing that Insurers have countermanded authority to offer or issue insurance to a Policyholder the Broker will take no further steps to offer, or authorise the issue of, such insurance to that Policyholder.
- 4.11. The Broker has no authority to amend the terms of Certificates or Policies and/or coverage endorsements thereto without the prior written consent of the Company.
- 4.12. The Broker has no authority to enter into any premium financing arrangements with any Policyholder on behalf of the Insurers or on behalf of the Company and if the Broker concludes any such arrangement it shall do so on its own behalf.
- 4.13. The Broker is authorised to collect premium in accordance with Clause 6 below.
- 4.14. The Broker shall use only those employees of its employees or directors, as are appropriately trained and supervised to exercise the authority granted to the Broker by this Agreement.

4.15. The Broker has no authority to act on behalf of the Company and/or Insurers in relation to the management, handling, adjusting or assessing, settlement, defence or compromise of Claims.

4.16. The Broker acknowledges that any quotation which is accepted by a Policyholder prior to expiry of the period of validity stated in the quotation ("Valid Period") is to be treated as an incepted Policy, in full force and effect, which may only be cancelled in accordance with sub-clause 4.8 above or with the Company's prior written consent. And the Broker further acknowledges that only a quotation which is not accepted by a potential policyholder prior to expiry of the Valid Period is to be treated as a "Not Taken Up" (or "NTU") and for no other reason shall any Policy be treated as a "Not Taken Up" (or "NTU").

5. BROKER'S OBLIGATIONS

5.1. The Broker shall:

5.1.1. sell the Policies in accordance with this Agreement;

5.1.2. follow the procedure for the sale of Policies set out in clause 4 above;

5.1.3. do nothing beyond the authority given to it in clause 4 above;

5.1.4. not sell or attempt to sell pursuant to this Agreement any insurance other than that in accordance with the terms and conditions of the Let Property Insurance.

5.1.5. not bind any Insurer to any insurance policy other than in accordance with this Agreement;

5.1.6. not describe itself as the agent of the Company or the sub-agent of Insurers except in accordance with and for the purposes of this Agreement;

5.1.7. correctly disclose the identity of the relevant Insurers to each Policyholder to whom it authorises the issue of a Policy;

5.1.8. establish and maintain adequate systems to ensure proper performance of its obligations under this Agreement and maintain adequate disaster recovery systems to allow the continuous performance of its obligations under this Agreement;

5.1.9. comply with any management information requirements advised by the Company in accordance with Schedule 3;

5.1.10. comply with the records requirements set out in Schedule 4;

5.1.11. upon request provide the Company and/or Insurers with any information, documentation and/or other data requested by the

Company and/or Insurers in relation to this Agreement and/or all Policies issued hereunder and/or the performance by the Broker of its obligations under this Agreement within five (5) Business Days of that request or if the request relates to a legal or regulatory requirement, immediately;

- 5.1.12. comply with the Regulatory Requirements, professional standards and duties of skill and care;
- 5.1.13. take steps to ensure that the Contract Certainty Obligations of Insurers are met;
- 5.1.14. in so far as the Broker undertakes distance marketing and electronic commerce activity comply with ICOBS and the Regulatory Requirements and only undertake such distance marketing and electronic commerce activity and conclude such distance contracts as are permitted by ICOBS and the Regulatory Requirements. In this Sub-clause 5.1.11 the terms "distance marketing" and "electronic commerce activity" and "distance contract" shall have the same meanings as they have in the FSA handbook, as amended from time to time.

5.2. The Broker shall:

- 5.2.1. maintain adequate systems and controls to ensure compliance with all relevant legislation including, but not limited to the Proceeds of Crime Act 2002 and the Terrorism Act 2000, and where relevant to the category of insurance in question the Money Laundering Regulations 2007;
- 5.2.2. maintain adequate systems and controls to ensure that all appropriate customer due diligence and identification, including anti-money laundering checks including, but not limited to, checks against the Consolidated List maintained by Her Majesty's Treasury in relation to financial sanctions that are applied to potential new Policyholders and that such due diligence and identification and anti-money laundering checks are reviewed periodically;
- 5.2.3. undertake to arrange for the performance of all appropriate customer due diligence and identification, including anti-money laundering checks in relation to new Policyholders and periodically review such due diligence and identification and anti-money laundering checks;
- 5.2.4. promptly make all reports that are required by the relevant legislation, including the Proceeds of Crime Act 2002, the Terrorism Act 2000 and/or the Money Laundering Regulations and/or in relation to the Consolidated List maintained by HM Treasury;
- 5.2.5. subject to any legal constraints that may apply notify the Company promptly and appropriately in the event that the Broker is not satisfied

with the outcome of initial or subsequent monitoring checks into a Policyholder;

5.2.6. maintain records of all the customer due diligence and anti-money laundering checks required under this Clause 5.

5.3. The Broker acknowledges and agrees that the Company and Insurers shall rely upon the Broker to undertake all the customer due diligence and anti-money laundering checks required by this Clause 5 and that the Insurers and the Company shall rely upon the results of those checks.

6. PREMIUM AND RISK TRANSFER

6.1. The Company shall set the Net Premium rates for all Policies of insurance issued or authorised by the Broker in accordance with this Agreement and the Broker is authorised to set the Original Premium for all such Policies.

6.2. The Company is entitled to vary the premium rates which it sets in accordance with Sub-clause 6.1 up to once in each quarter (up to four times a year) by notice in writing to the Broker.

6.3. The Broker is authorised to collect from Policyholders Original Premium at the rate set in accordance with Sub-clause 6.1 above, which rate shall always exceed the Net Premium by an amount equal to the Broker's Commission. The Broker is also authorised to collect from Policyholders all IPT due on the Original Premium.

6.4. The Broker shall pay to the Company an amount equal to the Original Premium and IPT less the Broker's Commission.

6.5. Insurers have authorised the Company to sub-delegate and the Company now sub-delegates to the Broker the authority to act as Insurers' agent for the purposes of receiving premium from the Broker's clients and holding premium so received on behalf of Insurers and settling refunds subject to the terms of the notice attached in Schedule 6 headed "Treatment of Insurance Monies under CASS". The Company acknowledges that Insurers may at any time withdraw the Company's authority described in this sub-clause 6.4 to sub delegate authority to the Broker.

6.6. The Company shall submit a statement of account detailing all premiums and IPT to the Broker on, or as soon as practicable after, the end of each calendar month in which the risks to which those premiums and IPT relates inception.

6.7. The Broker shall settle each statement of account within the Credit Period as defined in Sub-clause 1.1.13.

6.8. The Broker shall settle each statement of account in cleared funds and by the BACS payment or by direct debit unless the Company has provided prior written agreement for payment via a different medium.

- 6.9. All premium receipts should be lodged into a separate and appropriately designated insurance bank account. All refund payments should be made from the same bank account.
- 6.10. In the event that the Broker does not settle all premiums and IPT due under any bordereau within the Credit Period the Broker shall be liable to pay the amounts not settled together with interest on the amounts not settled within the Credit Period in accordance with Clause 31 below.
- 6.11. The Broker is not authorised to waive or in any way forfeit prompt payment by a Policyholder of premium without the prior written consent of the Company.

7. COMMISSION AND VALUE ADDED TAX

- 7.1. The Broker will be entitled to deduct from all Original Premium collected by the Broker the Broker's Commissions in relation to each Policy.
- 7.2. The Broker may only transfer the Broker's Commission from its insurance bank account to an office bank account as income only as and when the premium to which that Broker's Commission relates has been received by the Broker in cleared funds.
- 7.3. The Broker warrants that at all times the bank account into which premium, IPT and Broker's Commission is remitted shall be maintained in accordance with CASS and the Regulatory Requirements.
- 7.4. Except for Broker's Commission and any cancelled bordereau, no deductions should be made from bordereaux payments without the prior written approval of the Director of Finance of the Company.
- 7.5. In the event of a refund of premium to a Policyholder the Broker will process the cancellation instructions of the Policyholder on the Company's Online System and will:
 - 7.5.1. not process any cancellation for a date prior to the date on which the Broker received the Policyholder's instruction to cancel the Policy;
 - 7.5.2. process as a cancellation and not as a "Not Taken UP" any Policy in respect of which the Policyholder has prior to the Policyholder's instruction to cancel accepted the quotation;
 - 7.5.3. only process as a "Not Taken Up" a quotation which the Policyholder did not accept during the period of validity stated on the quotation.
- 7.6. Following advice of a refund in accordance with Clause 7.5 above, the Broker shall in accordance with that advice either:
 - 7.6.1. make the refund to the Policyholder including a refund of the Broker's Commission for the proportion of the Original Premium to be refunded;
or
 - 7.6.2. refund to the Company the same proportion of the Broker's Commission as the refund is to the Original Premium.

- 7.7. In the event that the Broker does not make immediate payment of any refund of the Broker's Commission the Broker shall pay interest in accordance with Clause 31 below.
- 7.8. If it is determined that any Value Added Tax ("VAT") is chargeable on or in respect of any part of the Broker's Commission such VAT shall be deemed to be included in the Broker's Commission deducted by the Broker from the Original Premium, and any such VAT shall otherwise not be recoverable from the Company or be deducted in any way from the bordereau payments of Net Premium and IPT due to the Company. The Broker is responsible for identifying any part of the Broker's Commission upon which VAT may be due and payable and for accounting to Her Majesty's Revenue and Customs in relation to such VAT.
- 7.9. Any additional amounts charged by the Broker to the Company in respect of fees or deductions, made in accordance with Sub-clause 7.8 above, are limited to the amount net of VAT (the "Net Amount") charged to the Broker, and if VAT is applicable on the recharge to the Company, the recharge of the Net Amount will be inclusive of any such VAT.

8. INSURANCE PREMIUM TAX

- 8.1. When settling each statement of account to the Company the Broker shall also be required to pay and shall pay to the Company all the IPT due in relation to all the Original Premium detailed in each such statement of account...
- 8.2. When accounting for or making any refund of premium in accordance with Clause 7 above the Broker shall also account for and refund the IPT which was paid on the proportion of the Original Premium which is to be refunded.
- 8.3. For the avoidance of doubt it is confirmed and agreed that the IPT includes all IPT which is due on any part of the Original Premium including, however it may be described, all and or each relevant part of the Broker's Commission.

9. MANAGEMENT INFORMATION

- 9.1. The Broker shall provide management information to the Company in accordance with the requirements of Schedule 3.
- 9.2. The Broker will also provide such information, documents or data as may be reasonably required by the Company and/or Insurers to ensure compliance with any statutory, regulatory, court or other requirement.

10. INSURANCE DOCUMENTS AND MARKETING MATERIAL

- 10.1. The Broker will not publish to any third party any Insurance Document or Marketing Material referring expressly or by implication to the Company or Insurers, unless in accordance with this Agreement or with the Company's prior written consent.
- 10.2. All Marketing Material must be prepared in line with brand guidelines laid down by the Company and/or Insurers as relevant and, prior to use, be disclosed to

the Company for written approval. Such approval should not be unreasonably withheld.

- 10.3. The Broker shall:
 - 10.3.1. provide its Policyholders with all the insurance documentation required by ICOBS and in a format approved by the Company;
 - 10.3.2. not issue Policies or other Insurance Documents other than in a format which has been approved by the Company;
 - 10.3.3. only refer to or use the trademark, branding materials or logo of the Company or Insurers with the prior written consent of the Company and/or Insurers as appropriate.
- 10.4. The costs of design, production and publication of each item of Marketing Material and Insurance Documents shall be borne by the Broker unless and save to the extent that anything to the contrary is advised by the Company in writing.
- 10.5. The Broker shall ensure that any Marketing Material which it issues or in any way disseminates in connection with this Agreement shall comply with the Regulatory Requirements and in particular with the requirements of the FSA, including those set out in ICOBS.
- 10.6. The Company may at any time by notice in writing require the Broker to make changes to the Insurance Documents or Marketing Material in order to comply with or prevent an actual or potential breach or infringement of legal or regulatory requirements or intellectual property rights or the terms of any Binding Authority and/or Policy. The costs of design, production and publication of any changes required pursuant to this Sub-clause shall be borne by the Broker unless anything to the contrary is specified in writing by the Company. .
- 10.7. Upon receipt of a notice in accordance with Sub-clause 10.6 above the Broker shall use its best endeavours to implement the changes required and will do so within the period required by the notice. The Company confirms that where it is reasonable to do so the notice will allow up to 21 days for implementation.
- 10.8. In the event that this Agreement is terminated in accordance with clause 19 or otherwise the Broker will immediately cease disseminating any Marketing Materials which refer to or use the trademark and or branding materials and or logo of the Company or Insurers and destroy any existing Marketing Materials which refer to or use the trademark and or branding materials and or logo of the Company or Insurers. The Broker acknowledges that in the event that it is in breach of this sub-clause 10.8 it will be liable for damages, costs and interest in relation to any claim which the Company or Insurers may be entitled to make.

11. SUB-DELEGATION

The Broker shall not assign transfer or delegate the performance of all or any part of its obligations under this Agreement.

12. ONLINE AND OTHER ELECTRONIC TRADING

12.1. The Broker shall only be entitled to transact business with the Company using any Online System (including the current "Quantiv" system, any successor to the "Quantiv" system or otherwise) belonging to or used by the Company for that purpose if and only to the extent that the Company has provided written permission and only in relation to the products listed as part of that permission.

12.2. The Broker confirms that in relation to any permission which the Company may grant to the Broker from time to time to transact business through the medium of the Online System, the Broker will ensure that only the individual employees, directors or contractors in respect of whom the Company may from time to time issue secure logon and passwords will access and use the Online System using the logon and password issued to each respectively.

12.3. Where the Broker transacts business with the Company electronically (whether via the Online System, the Internet, email, via the current "Quantiv" system, any successor to the "Quantiv" system or otherwise) the Broker agrees to abide strictly by any applicable terms and conditions of:

12.3.1. this Agreement; and

12.3.2. the terms of any contract between the Broker and/or the Company and any third party providing facilities for such electronic trading; and

12.3.3. any underwriting or functional parameters or controls within the relevant electronic system; and

12.3.4. all terms and conditions and protocols of use issued by the Company in relation to and/or posted within the Online System from time to time.

12.4. Where for the purpose of transacting business and or providing management information and or reporting on business under this Agreement a connection must be established with the Broker's System the Broker will simply connect the Broker's System to that of the Company and will use that connection only for the purposes of transacting business in accordance with the terms and conditions of this Agreement. Except to the extent required for the purpose of the permission granted to the Broker and for the purposes of this Agreement the Broker will not seek to and shall not be permitted to obtain access to the Company's system or systems and or information held there. The Broker's System shall remain entirely separate from the systems of the Company save as permitted in accordance with any part of this Clause 12 and or as may otherwise be agreed in writing between the Parties.

- 12.5. On each occasion when the Broker transacts and or reports business with the Company in accordance with any part of this Clause 12 the Broker warrants that the Broker's System is and shall continue to be properly maintained and shall not infect the system or systems of the Company with any computer virus or any other harmful computer program including but without limitation those commonly referred to as "worms", "Trojan Horses", "logic bombs" and "cancelbots".

13. COMPLAINTS

The Broker shall handle complaints in accordance with the complaints process set out in Schedule 2.

14. DATA PROTECTION

- 14.1. Information about the Broker and its account with the Company shall be held electronically.
- 14.2. The Company reserves the right to register information provided by the Broker and other information relating to the Broker's business with the Company with credit reference agencies and/or other databases supplying or providing information for business analysis or in relation to intermediary debt.
- 14.3. Where the Broker is acting as a Data Controller (as defined by the DPA) in relation to this Agreement the Broker shall:
- 14.3.1. make due notification to the Information Commissioner including of its use and Processing (as defined by the DPA) of Personal Data (as defined by the DPA); and
 - 14.3.2. obtain informed and written consent from all Policyholders to the processing and transfer of such Personal Data and Sensitive Personal Data (as defined by the DPA) to the Company and/or Insurers and others for the purposes of this Agreement; and
 - 14.3.3. comply with the DPA and subordinate legislation and in particular comply with the obligations placed upon insurers by the Seven Principles set out in the DPA; and
 - 14.3.4. provide all reasonable assistance to the Company and/or Insurers to comply with their obligations under the DPA; and
 - 14.3.5. notify the Company of any subject access request; and
 - 14.3.6. assist the Company and/or Insurers with the response to any subject access request; and

- 14.3.7. not disclose data in response to a subject access request without the prior written consent of the Company or Insurers; and
 - 14.3.8. ensure that Personal Data is disclosed only to employees or third parties who are subject to contractual obligations in relation to Data Protection no less onerous than those imposed by this Agreement or the Broker.
- 14.4. The Broker acknowledges that the Company and/or Insurers may from time to time make credit and identification and/or anti-money laundering checks and/or search against other databases in relation to the Broker and/or its directors, employees or agents. The Broker confirms that it consents to these checks and searches and has obtained any consents required from its employees, directors, officers or agents.

15. CONFIDENTIALITY

- 15.1. Each Party will ensure that all Confidential Information of the other is kept confidential and will not make or cause or permit to be made any use or disclosure of any such Confidential Information except to the extent permitted under this Agreement.
- 15.2. Each Party shall be permitted to disclose Confidential Information of the other Party:
- 15.2.1. to the extent that it is required to do so by law or by any public, governmental, supervisory or regulatory authority or by any legally binding order of any court or tribunal provided in any such case that:
 - 15.2.1.1. the disclosure or use is limited strictly to those parts of the relevant Party's Confidential Information which are required to be disclosed pursuant to Sub-clause 15.2.1; and
 - 15.2.1.2. each Party shall use their respective reasonable endeavours to ensure the recipient of such Confidential Information is made aware that such information is confidential; or
 - 15.2.2. to the extent that the Confidential Information is publicly available or generally known to the public or lawfully in the possession of any third party, except as a result of any breach by any Party of its obligations hereunder; or
 - 15.2.3. to the extent that any Party acquires or has acquired such Confidential Information free from any obligation of confidentiality from a third party who is not in breach of any obligation as to confidentiality; or
 - 15.2.4. in the case of the Company to the extent it is required to disclose Confidential Information in the normal course of business within the insurance industry including but not limited to Insurers for the purpose

of this Agreement and for the purposes of reinsurance and/or fraud prevention.

- 15.3. Each Party shall operate reasonably adequate procedures designed to ensure compliance with this Clause.
- 15.4. The Parties agree that the Policyholders who instruct the Broker to arrange insurance on their behalf are the clients of the Broker. The Company agrees that it will not use Confidential Information of the Broker to solicit business of the Broker's Policyholder clients away from the Broker during the term of this Agreement or for 12 months following the termination of this Agreement.
- 15.5. Notwithstanding Sub-clause 15.4 above the Parties acknowledge that the Policyholder clients of the Broker may appoint another intermediary in place of the Broker (the "New Intermediary").
- 15.6. In the event that a Policyholder instructs a New Intermediary the Company may, subject always to Sub-clause 15.4 above accept the business of the New Intermediary in relation to that Policyholder.

16. AUDIT AND ACCESS

- 16.1. The Company and/or any of the Insurers shall be entitled upon at least two (2) Business Days' prior written notice to audit the Broker during normal business hours in connection with the Broker's obligations under this Agreement at any time during the term of this Agreement and thereafter until all of the Broker's rights, obligations and duties have come to an end under this Agreement. The Company hereby notifies the Broker that the Company anticipates conducting such an audit at least as frequently as indicated at Schedule 1.
- 16.2. In the event that the Company and/or any of the Insurers gives notice to carry out an audit of the Broker for any reason concerning compliance with any relevant law or Regulatory Requirement then the Broker shall ensure that it promptly gives the access requested to enable the Company and/or Insurers to meet any legal or regulatory deadline.
- 16.3. Without limiting the general rights of audit set out in Sub-clause 16.1, the Parties agree that the Company and/or Insurers may carry out specific audits of all information data (whether stored electronically or otherwise) in the possession, custody or control of the Broker concerning rights, obligations and duties pursuant to this Agreement in relation to:
 - 16.3.1. Insurance Documents;
 - 16.3.2. the payment of premium, and in particular (without limitation), the payment of Net Premium and all the IPT on the Original Premium to the Company within the Credit Period;
 - 16.3.3. the reporting obligations;

- 16.3.4. premium rates;
 - 16.3.5. the Complaints Process; and
 - 16.3.6. the Regulatory Requirements.
- 16.4. In response to any notice from the Company and/or Insurers pursuant to this Clause 16 the Broker shall promptly allow representatives of the Company and/or Insurers access to any of its offices during normal business hours at each such office for such purposes. The Parties further agree that the Broker may at its discretion waive or reduce the period of notice required hereunder and may at its discretion allow the Company and/or Insurers and/or their representatives access to its offices outside the normal business hours. The Broker shall cooperate fully with any such audit and supply promptly such information, data and records (whether stored electronically or otherwise) of whatsoever nature as may be reasonably requested by the Company and/or Insurers who shall be entitled to make copies or take extracts of the same. The Broker shall provide copying facilities at no charge.
- 16.5. During the course of any audit carried out under this Clause 16 the Broker shall make available one or more of its managers or senior officials with the appropriate level of expertise and authority to answer any reasonable enquiries of the Company and/or Insurers.
- 16.6. The Broker hereby grants to each of HM Revenue and Customs, the FSA and any other relevant taxation or regulatory body the same rights as those granted to the Company under this Clause. The Broker shall cooperate with and assist the Company in any of its dealings with any regulatory or taxation authority or any application for authorisation or other permit which are relevant to the arrangements comprised in this Agreement.
- 16.7. In the event that any audit carried out pursuant to this Clause reveals deficiencies that the Company notifies to the Broker require remedial action, the Broker shall carry out such remedial actions in accordance with such notification. If such remedial actions are disputed by the Broker the Parties agree to deal with any such dispute in accordance with the provisions of Clause 33.

17. WARRANTIES

- 17.1. Each Party warrants and undertakes to the other Parties that it has full power, authority and capacity to enter into and perform the obligations comprised in this Agreement.
- 17.2. The Broker warrants to the Company and each Insurer that all Commissions payable to the Broker:

17.2.1. are properly incurred and due in relation to services provided under this Agreement; and

17.2.2. do not constitute an unlawful inducement of any kind.

18. INDEMNITY

18.1. To the fullest extent permitted by law or the Regulatory Requirements, the Broker shall indemnify and keep indemnified the Company from and against any loss, cost, liability, claim or damage which the Company might suffer or incur as a result of a default by the Broker of any of its respective obligations expressed or implied arising under or in connection with this Agreement and for any acts carried out by the Broker outside the scope of the authorities conferred on it by the Company on its own behalf and on behalf of each Insurer.

18.2. Each Party shall indemnify and keep each of the other Parties indemnified from and against all and any claims, proceedings, actions, demands, loss, liability, reasonable costs, reasonable expenses, damages, penalties, fines, judgements or awards sustained or arising out of or in connection with any claims, proceedings, action or demand made or raised by any person in which it is alleged that use of that person's intellectual property rights for any of the purposes of this Agreement does or may infringe the rights of any person.

19. TERMINATION

19.1. Either Party may terminate this Agreement at any time after the Commencement Date by giving not less than 30 days prior written notice to the other Party which notice may be served at any time.

19.2. Notwithstanding the provisions of Clause 2 above, but subject to Sub-clause 19.3 below either Party (the "Non-defaulting Party") may terminate this Agreement with immediate effect if:

19.2.1. the other Party (the "Defaulting Party") commits a material breach of any of the provisions of this Agreement (other than by non-payment of Net Premium or IPT by the Broker) and, if the breach is capable of remedy, such breach has not been remedied within 30 days after receipt by the Defaulting Party of notice from the Non-defaulting Party requiring such remedy; or

19.2.2. the Defaulting Party ceases to carry on its business; or

19.2.3. an Insolvency Event occurs or is threatened in relation to the Defaulting Party or any event occurs in any relevant jurisdiction which has a similar or analogous effect; or

19.2.4. any law or regulation becomes operative so as to prohibit or render this Agreement illegal; or

- 19.2.5. anything analogous to any of the events described in Sub-clauses 19.2.1 to 19.2.4 above occurs in any jurisdiction.
- 19.3. If, before notice to terminate this Agreement shall have been given by the Non-defaulting Party:
- 19.3.1. a petition to wind up the Defaulting Party is dismissed; or
- 19.3.2. the appointment of an administrative receiver or receiver is discharged;
- and the Defaulting Party is then able to pay its debt and is able to carry on its business, the Non-defaulting Party shall not thereafter be entitled to serve notice pursuant to Sub-clause 19.2 above in respect of the event in question unless and until a further event such as referred to in Sub-clause 19.2 above shall have occurred.
- 19.4. Notwithstanding Clause 2 above the Company has the right to terminate this Agreement with immediate effect if:
- 19.4.1. the Broker fails to comply with the Regulatory Requirements; or
- 19.4.2. the Broker causes the Company and/or Insurers to be in breach of the Regulatory Requirements; or
- 19.4.3. any of the events which are required under Sub-clause 3.3.3 above to be notified by the Broker to the Company occurs or if the Company is notified by any person of any such forthcoming events.
- 19.5. Notwithstanding Clause 2 above the Company has the right to terminate this Agreement with immediate effect if:
- 19.5.1. the Broker fails to pay Net Premium and/or IPT to the Company in accordance with Clauses 6 and/or 8 in relation to any one month; and
- 19.5.2. the Broker has failed to pay the amount due to the Company within 14 days of receipt of a written request from the Company to pay the amount due.

20. CONSEQUENCES OF TERMINATION

- 20.1. On termination by and in respect of any Party for any reason all the rights and obligations of that Party and between that Party and the other Parties shall to the extent of that termination forthwith cease unless expressly provided otherwise.
- 20.2. Subject to Sub-clause 20.3 below the provisions of this Agreement shall remain in full force and effect in respect of Policies written under this Agreement and continuing at the time of termination or otherwise validly bound under this

Agreement until such Insurance Policies have expired or otherwise been terminated.

- 20.3. Clauses 6, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20, 30, 31, 32 and 33 shall survive termination of this Agreement for any reason.
- 20.4. Termination of this Agreement for any reason shall not affect any rights, liabilities or remedies arising under this Agreement prior to such termination.
- 20.5. The agency created by this Agreement shall cease on termination and no further Policies shall be capable of being written or renewed in pursuance of this Agreement. For the avoidance of doubt, the Broker shall immediately cease holding itself out as agent of the Company and/or Sub-agent of Insurers and shall cease to use the names of the Company and/or Insurers save as provided for in this Clause.
- 20.6. On termination the Broker shall at its own cost promptly give to the Company:
 - 20.6.1. all property of the Company and/or Insurers which is in the possession, custody or control of the Broker, including without limitation, all Policy wordings and Insurance Documents and any other documentation which might be used as evidence of insurance; and
 - 20.6.2. any documentation created or received by the Broker on behalf of the Company (whether in paper or electronic form) relating to or connected with this Agreement; and
 - 20.6.3. any documentation, including without limitation, Marketing Material, bearing any trade name, the Company and/or Insurers' Trade Mark or trademark owned by the relevant Company and/or any other member of the Company's Group.

21. FORCE MAJEURE

- 21.1. If any Party (the "Claiming Party") is prevented or restricted from or interfered with in complying with any obligation under this Agreement by any circumstances beyond its reasonable control, upon giving prompt notice of the nature and extent of the circumstances in question to the other Party (the "Non-claiming Party") it shall be excused from performance to the extent of the prevention, restriction or interference.
- 21.2. In the circumstances set out in Sub-clause 21.1 the Claiming Party shall:
 - 21.2.1. use its best endeavours to avoid or remove such causes or non-performance and will continue performance under this Agreement with the utmost despatch as soon as these causes are removed or diminished; and

21.2.2. implement any disaster recovery or business interruption plans that have been agreed by the Parties in writing.

21.3. Notwithstanding the provisions of Clause 2 and Clause 19 if such non-performance continues for a continuous period in excess of 30 days, the Non-claiming Party will be entitled to give notice to the Claiming Party to terminate this Agreement. This notice to terminate must specify the termination date which must not be less than 30 clear days after the date on which the notice to terminate is given. Once a notice to terminate has been validly given, the Agreement will terminate on the termination date set out in the notice. For the avoidance of doubt, Clause 20 will apply to any termination under this Clause 21.

22. PROFESSIONAL INDEMNITY INSURANCE

22.1. The Broker shall maintain an appropriate professional indemnity policy with a minimum limit of indemnity of the greater of:

22.1.1. £ 1 million each and every claim; or

22.1.2. the figure required to comply with the Regulatory Requirements then applicable to the Broker.

22.2. The Broker shall promptly furnish to the Company, upon request, a copy of the certificate or policy of professional indemnity insurance referred to at Sub-clause 22.1.

22.3. The Broker shall immediately notify the Company in writing if at any time such professional indemnity policy is cancelled by the underwriters on the grounds of breach and/or if the Broker is unable to renew or replace that policy.

23. NO PARTNERSHIP

23.1. Nothing in this Agreement and no action taken by the Parties under this Agreement shall constitute a partnership, association, joint venture or other co-operative entity between any of the Parties.

23.2. The Parties agree that they will have the relationship of principal and agent and not that of employer and employee in relation to the matters which are the subject of this Agreement.

24. SET-OFF

Except as provided for in this Agreement or as otherwise agreed by the Parties from time to time, payment of all sums due from one Party to the other under this Agreement shall be made without any deduction or set-off.

25. COSTS OF THIS AGREEMENT

Each Party shall pay the costs and expenses incurred by it in connection with entering into and completion of this Agreement.

26. NO WAIVER AND REMEDIES

26.1. No delay or omission by any Party to this Agreement in exercising any right, power or remedy provided by law or under this Agreement shall:

26.1.1. affect that right, power or remedy; or

26.1.2. operate as a waiver of it.

26.2. The single or partial exercise of any right, power or remedy provided by law or under this Agreement shall not preclude any other or further exercise of any other right, power or remedy.

26.3. The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any accrued rights, powers and remedies.

27. ASSIGNMENT

27.1 The Company may transfer, assign, sub-contract, make a declaration of trust in respect of, or enter into any arrangement whereby the Company agrees to hold in trust for any other person or otherwise part with its rights and obligations under this Agreement whether in whole or in part by giving fourteen (14) days written notice to the Broker.

27.2 The Broker may not transfer, assign, sub-contract, make a declaration of trust in respect of, enter into any arrangement whereby the Broker agrees to hold in trust for any other person or otherwise part with their rights and obligations hereunder whether in whole or in part without the prior written consent of the Company.

28. NOTICES

28.1. A notice under this Agreement shall only be effective if it is in writing.

28.2. Any notice or other document to be served under this Agreement may be delivered by hand or sent by first class recorded delivery post to the individual at each of the Parties and at the address specified in Schedule 1.

28.3. Any notice or document shall be deemed to have been served:

28.3.1. if delivered by hand, at the time of delivery; or

28.3.2. if posted, at 10.00 am on the second Business Day after it was put into the post; or

28.3.3. if sent by facsimile process, at the expiration of two hours after the time of despatch. If despatched before 3.00 pm on any Business Day, and in any other case at 10.00 am on the Business Day following the date of despatch.

28.4. In proving service of a notice or document it shall be sufficient to prove that delivery was made or that the envelope containing the notice or document was properly addressed and posted as a prepaid first class recorded delivery letter or that the facsimile message was properly addressed and despatched (as evidence by a transmission report produced by the facsimile machine from which the transmission is sent) as the case may be.

29. WHOLE AGREEMENT, VARIATION AND CONSENT CONTROL

29.1. The Parties acknowledge that this Agreement contains the whole Agreement between the Parties in relation to the subject matter of this Agreement and except to the extent repeated in this Agreement, this Agreement supersedes any prior agreement between the Parties whether written or oral. Each Party acknowledges and agrees that, save as otherwise stated in the Agreement, it has not relied upon any representation statement warranty, undertaking, promise or assurance and no Party shall be liable or have any remedy in respect of any misrepresentation or untrue statement, warranty, undertaking, promise or assurance unless and to the extent that a liability or remedy lies under the provisions of this Agreement. Nothing in this Clause is intended to limit or exclude any Party's liability of fraud.

29.2. The Broker agrees that the Company may from time to time issue revised versions of the Schedules to this TOBA and that on each such issue the revised version shall come into effect at the date and time which is stated on the revised Schedule in each case as being the date and time from which it will take effect.

29.3. Except as expressly provided for elsewhere in this Agreement, this Agreement may only be varied in writing signed by each of the Parties.

29.4. In the event that the Company is able to and does make this Agreement available to the Broker for agreement electronically or on a hosted internet system or site the agreement of the Broker to this Agreement by the means specified in the notice including but not limited to the transaction of business hereunder by the Broker following receipt of this Agreement shall be deemed to be the execution in writing of this Agreement.

30. INVALIDITY AND SEVERABILITY

30.1. If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction that shall not affect or impair:

30.1.1. the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or

30.1.2. the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of this Agreement.

31. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

Save as expressly provided for in this Agreement and with the exception of the Company in the Company's Group, the Parties do not intend that any term of this Agreement should be enforceable, by virtue of the Contracts (Rights of Third Parties) Act 1999, by any person who is not a party to this Agreement.

32. INTEREST

If the Broker fails to pay any sums payable to the Company under this Agreement on the due date for payment, the Broker shall pay interest on that sum to the Company at the rate applicable from time to time under the Late Payment of Commercial Debts (Interest) Act 1998.

33. DISPUTE RESOLUTION

- 33.1. If any dispute arises out of this Agreement the Parties will attempt to settle it by negotiation. Prior to the commencement of any formal dispute resolution procedure, any dispute shall be referred to the escalation process set out in Schedule 5 (the "Escalation Process"). Any dispute shall remain at a particular level in the Escalation Process for two full Business Days and if not resolved in that time, such dispute may be referred by any Party who may in their absolute discretion decide to escalate the dispute by referring it to the next level.
- 33.2. If any dispute arises under or in connection with this Agreement which cannot be settled by negotiation as specified above, the Parties will have the option to attempt to settle it by mediation in accordance with the Centre for Dispute Resolution ("CEDR") Model Mediation Procedure. To initiate a mediation a Party shall give notice in writing (a "Mediation Notice") to the other Parties requesting mediation of the dispute and shall send a copy thereof to CEDR to nominate a mediator in the event that the Parties shall not be able to agree such appointment by negotiation. The mediation will start not later than 28 days after the date of the Mediation Notice. The commencement of a mediation will not prevent the Parties commencing or continuing court proceedings.
- 33.3. The Parties will co-operate with any person appointed as mediator providing him with such information and other assistance as he shall require.

34. GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by and construed in accordance with the laws of England and Wales and both Parties hereby irrevocably agree and submit to the exclusive jurisdiction of the English courts.

35. COUNTERPARTS

This Agreement may be executed in any number of counterparts, and by the Parties on separate counterparts, but shall not be effective until each Party has executed at least one counterpart.

IN WITNESS whereof the Parties have executed this Agreement by their authorised representative on the date of the last Party to execute this Agreement.

SCHEDULE 1

1. General

| | |
|---|---|
| 16.1 Of this Agreement: Anticipated Frequency of Audit by The Company | At least annually |
| 27.2 of this Agreement: Notices | <p>Notices to The Company shall be sent to The Managing Director at the address set out at the beginning of this agreement or such other address as the Company may from time to time advise in writing.</p> <p>Notices to the Broker shall be sent to The contact name and address supplied in the Broker Identification at the end of this Agreement.</p> |

2. Let Property Insurance

| | |
|--|---|
| Name | UK General Let Property Insurance |
| Description | To be offered only on the terms and conditions of the sample Policy attached at Schedule 8 or such sample Policy as the Company may issue to replace it from time to time. |
| Maximum Sum Insured/ Limit of Liability | As set out in the sample Policy at Schedule 7 |
| Excess/ Deductibles | As set out in the sample Policy at Schedule 7 |

SCHEDULE 2
COMPLAINTS PROCEDURE

A COMPLETE GUIDE TO IDENTIFYING AND
HANDLING A COMPLAINT

In this Schedule "You" or "you" shall mean the Broker save for in the Letter Templates where "You" or "you" shall mean the Policyholder or customer.

Introduction

UK General Insurance Group values customer feedback and takes a proactive approach to resolving and addressing all concerns raised by our customers and stakeholders. This approach is underpinned by our commitment to the FSA's Treating Customers Fairly (TCF) principles.

This guide sets out our procedures and standards for handling customer complaints made against UK General Insurance. It is intended to assist all those who may be involved with such complaints.

Please refer to the attached Process Chart which provides further background.

Feedback, both positive and negative is important to us all and it allows us to understand our customers' needs and improve all areas of our service.

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Page 2 Complaint Received

- What is a complaint?
- Financial Ombudsman service

Page 3 Customer Resolution

- What is resolution?
- What is a breach?

Record complaint details

Page 4 Level 1 – your responsibilities

Level 2 – your responsibilities

Page 5 Escalating complaints to Customer Relations

Definitions

Page 6 Ack01 (Acknowledgement letter) template

Page 7 BDL01 (Business Decision Letter) template

Key Points to consider when handling complaints

- You must be able to identify a complaint
- Always check to see if a customer has previously complained about the same issue
- An Ack01 including our complaints handling procedures must be issued to the customer within 5 working days
- Your BDL01 must be issued within 4 weeks of receipt of complaint
- Any agreed resolutions must be completed
- Any complaint received from the FOS must be escalated to CRT immediately

Complaint Received

What is a complaint?

A Complaint is any expression of dissatisfaction and can be made verbally or in writing.

Anyone can make a complaint but you can only discuss a complaint with a policyholder or, with their permission, anyone representing them such as a friend, relative, broker, solicitor etc.

If in any doubt, it is better to be safe than breaching the Data Protection Act. If you are not sure whether the complaint can be discussed you should take full details from the complainant without directly voicing any opinions. The policyholder must then be immediately contacted to verify the complaint.

Important: If a customer raises a grievance during a telephone call or in person they do not have to follow this up in writing and we cannot insist upon this. You must make comprehensive notes and ensure full details of the complaint are appropriately recorded.

NB: All complaints received from the Financial Ombudsman Service, Press/media or VIP such as MP's must be directed immediately to CRT who will take over the handling of the complaint.

Financial Ombudsman Service

You will never have to handle a complaint raised directly to the FOS as these are all handled in Customer Relations.

From 1 November 2009 the FOS has updated their eligibility criteria to reflect European Union law. The new definitions are:

- private individuals and

- 'micro-enterprises'.

'Micro-enterprises' will be able to bring complaints to the ombudsman as long as they have an annual turnover of under 2 million euros (approx. £1.7 million) and fewer than ten employees

If a customer doesn't fit this criteria they are unable to escalate their complaint to the FOS and may opt to take the legal route.

Customer Resolution

What is resolution?

A resolution is defined as a course of action agreed with the customer.

A complaint can be resolved at any time during the course of your enquiries.

If this is achieved by close of play the next business day then you are only required to record the complaint on the appropriate system with full details of the customer's grievance and your actions in resolving the complaint to the customer's satisfaction.

A business day is defined as Monday to Friday 9am to 5pm excluding bank holidays.

For example: -

A complaint received at 10am on Monday needs to be resolved by 5pm on Tuesday. Any complaint received after 5pm would be considered as being received the following business day.

If the complaint is resolved after this deadline then this always needs to be followed up in writing using the Business Decision Letter template and recorded on your complaints database. Once a resolution is agreed then complaint and resolution details need to be recorded on the records.

It is essential that any agreed resolutions are carried out. Failure to do this may result in an angry customer, unresolved complaint or even a breach.

What is a breach?

A breach is our failure to issue a written communication within the timescales permitted by the FSA.

If you identify any breaches these must be notified to our compliance officer Stewart.Clemens@ukgeneral.co.uk telephone 0113 272 9036.

Record complaint details

Full details must be logged on the relevant record and must include

- full details of the customer's complaint
- agreed resolution with timescales if appropriate

- details of the handlers next course of action
- customer must be advised of the complaint handler's full name and contact details

eg: Customer called, unhappy with declination of claim, agreed to contact policyholders GP to obtain further information, agreed to update within 48 hrs, next course of action – contact GP

Level 1 – your responsibilities

Ensure records are updated with completed course of action. If the customer confirms that this resolves the matter to their satisfaction then record full details clearly, highlighting the complaint is resolved on the file.

If they remain unhappy for whatever reason and the customer confirms this does not resolve their complaint then escalate to your nominated complaint handler to commence level 2 review.

Level 2 - your responsibilities

This is usually an experienced member of the team, either in a senior role or team leader.

Date of receipt

They must first check the date the complaint was received by the business to ensure it is being handled within the timescales set out by the FSA. There may be occasions where a BDL has to be issued immediately and/or escalated to CRT if it is established that the complaint is older than 4 weeks.

Full review

They must obtain full details of the issues raised by the customer and thoroughly investigate the complaint. This review may consist of

- speaking to the customer
- liaising with Brokers/loss adjusters/assistance companies etc.
- requesting further information such as medical records, receipts, invoice

Acknowledgement letter – template provided

This must be issued within 5 days of receiving the complaint if you have not agreed a resolution with the customer

Business Decision Letter – template provided

This must include

- acceptance or rejection of the complaint with reasons
- details of how to escalate the complaint internally
- reference of the ultimate availability of the FOS
- confirmation that we will close the complaint if we do not hear from the customer

Escalating complaints to Customer Relations

Prior to the conclusion of your review and the issuing of your BDL:

You should try to retain customer contact within your Business Unit. However, we appreciate that on occasions, the customer may wish to speak to the Customer Relations Team prior to the conclusion of your review. We will be happy to speak to the customer and reassure them that the matter will be handled appropriately by the Business Unit and occasionally we may take over the handling of the complaint if we feel it is warranted.

Following the issuing of your written BDL:

If the customer contacts you to challenge your Business Decision Letter, please escalate the complaint to the Customer Relations Team:

E-mail to customerrelations@ukgeneral.co.uk

This is our ideal escalation method whereby we would ask you to attach the following:

Your full file of papers including a copy of any system notes

A copy of the appropriate policy wording if applicable to the complaint

Telephone – 0845 218 2685

If the customer contacts you by telephone please feel free to transfer the complainant to the Customer Relations Team and we will take over the handling of the complaint. We will of course still need full documentation to review the complaint

Definitions

| | |
|-------|---|
| COB | Close of Business |
| CHP01 | Complaints Handling Procedures – refer to template provided |
| BDL01 | Business Decision Letter issued by TPA - refer to template provided |
| FDL01 | Final Decision Letter issued by UK General - refer to template provided |
| TPA | Third Party Agent |
| UKG | UK General Insurance Group |
| CRT | Customer Relations Team |

- ACK01 Acknowledgement letter - refer to template provided
- FOS Financial Ombudsman Service
- FSA Financial Services Authority
- TCF Treating customers fairly
- Level 1 Initial complaint handler up to COB the next day
- Level 2 Handles complaints up to 4 weeks and issues the BDL

Acknowledgement Letter Template: ACK01

NAME
ADDRESS
DATE:

Our ref:

Dear

Regarding your complaint: (reference number and scheme name if applicable)

Policyholder:

I refer to our recent telephone conversation in which you expressed concern / Thank you for your recent letter detailing your concerns

with the service/decision (delete as appropriate) you have received and are sorry that you have felt the need to raise this matter with us.

We would like to assure you that your concerns will be fully investigated and we will contact you again when we have reviewed this matter.

We aim to respond as soon as possible but will do so, no later than (DATE).

Thank you for taking the time to contact us and for your patience while we investigate this matter for you. In the meantime, if you have any further queries, please feel free to contact me using the contact details below. We act on behalf of UK General Insurance Group and enclose a copy of their complaint handling leaflet.

Yours sincerely

Name of Complaint Handler
Job Title
Company Name
Direct dial telephone number
E-Mail

Enc – Complaints handling leaflet

Business Decision Letter Template: BDL01

NAME
ADDRESS
DATE

Our ref:

Dear

Regarding your complaint: (reference number and scheme name)

I refer to our letter dated (DATE) and can now confirm that I have undertaken a full review of your concerns.

Summary of your complaint

Provide summary of the customer's complaint

Our Investigations and findings

- Provide details of your investigations, for example, reviewed the full file of papers/ discussed this matter with xxx, etc.
- Provide your conclusions and your decision referring to policy wording if applicable
- Offer an apology and redress if you feel this is justified

What can I do next?

I do hope that this resolves the matter to your satisfaction, but should you have any further queries please do not hesitate to contact me. Alternatively, if you remain unhappy, you may refer the matter to:

Or

I do hope that I have been able to provide clarity on this matter and you understand the reasons for the decision made. However, if you remain unhappy with our decision, you are entitled to contact:

Post: The Customer Relations Team
UK General Insurance Group
Cast House
Old Mill Business Park
Gibraltar Island Road
Leeds
West Yorkshire
S10 1RJ

Phone: 0845 2182685

Email: customerrelations@ukgeneral.co.uk

If you remain dissatisfied following the review by the Customer Relations Team, you may then contact:

Post: Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR

Phone: 0845 0801800

Email: complaint.info@financial-ombudsman.org.uk

If we do not hear from you within the next eight weeks we will assume that your concerns have been addressed and will close your file.

Yours sincerely

Name of complaint handler
Job title
Company name

Direct dial telephone number
E-Mail

| | | | |
|----------------------------------|--|-----------------------------|--|
| LEVEL 2 HANDLER | | POLICYHOLDER | |
| BUSINESS UNIT | | REFERENCE NUMBER | |
| DATE COMPLAINT FIRST RECD | | SCHEME | |
| DATE OF ESCALATION | | ISSUE DATE OF POLICY | |

| | |
|---|--|
| POLICY SECTION (IF APPLICABLE) | |
| BRIEF SUMMARY OF COMPLAINT | |
| LEVEL 2 DECISION | |
| REASON FOR ESCALATION | |
| BREACH – IF SO WHY? | |
| ATTACHED <ul style="list-style-type: none"> • CLAIM/POLICY FILE • SYSTEM NOTES • POLICY WORDING • CUSTOMER CORRESPONDENCE • BDL | |

| UK General Insurance | |
|-----------------------------------|--|
| CUSTOMER RELATIONS ADVISOR | |
| OUTCOME OF REVIEW | |
| RECOMMENDATIONS | |
| FEEDBACK GIVEN | |

SCHEDULE 3

Management Information Requirements

1. As the Policies are to be processed by the Broker using the Company's Online System, the Company does not anticipate making regular requests for additional Management Information but may do so from time to time either for the purposes of the management and monitoring of the business transacted pursuant to this Agreement and or for the purpose of responding to a requirement or enquiry from the FSA or another competent regulator.
2. In the event that the Company requires management information from the Broker the Company will advise the Broker in writing of the requirement and the date by which the Broker's written response is required which date will usually be at least 10 Business Days from the date of the Company's written advice to the Broker, but may be sooner where the requirement is in connection with a legal or regulatory requirement upon the Company.

SCHEDULE 4

RECORDS REQUIREMENTS

The Broker shall:

- (a) keep complete and accurate records of the business (including, without limitation, in relation to Claims) transacted by the Broker under this Agreement and store all documents, information and data (whether in written, oral, machine readable, visual, electronic (including, without limitation, magnetic or digital) or any other form);
- (b) in particular and without limitation to (a) above retain copies of all Insurance Policies and any other Insurance Documentation and Scheme Documentation and templates of all Scheme summaries of insurance and use its best endeavours to procure that it retains copies of all Insurance Policies, Policy Wording and Insurance Documentation issued to a Policyholder;
- (c) keep records set out below for the time specified and any other records for such period as they might reasonably be required in connection with the matters comprised in this Agreement:

| | |
|---|--|
| Quotations | 3 years from date of quotation |
| Proposal Forms, Policy Documents and Summaries of Cover | 7 years from date of cancellation or expiry |
| Employers' Liability Documentation | 60 years in accordance with ABI Guidelines as may be amended from time to time |
| Other correspondence | 3 months from date of correspondence |
| Cancelled records | 7 years from date of cancellation |
| Details of other liability insurance | 12 years from date of expiry or cancellation |
| Complaints | 7 years from date of completion, settlement or withdrawal of the complaint |

- (d) provide copies of such documentation to Insurers if requested by such Insurers;
- (e) maintain a System for compliance with the terms of this Schedule;

- (f) ensure that only authorised employees will have access to the System and all such records and information specified in this Schedule; and
- (g) ensure that the System has adequate back-up and disaster recovery facilities and procedures in place that can be called upon should the System on which such information is stored, or through which such information is accessed, break down or otherwise fail to operate properly for whatever reason.

SCHEDULE 5
ESCALATION PROCESS

The Escalation Process shall be in accordance with Sub-clause 32.1 and the following table:

| Stage | Refer to the following officers of UK General Insurance Limited |
|--------------|--|
| 1. | Relationship Manager |
| 2. | Operations Manager |
| 3. | Director of Risk Management and Audit |
| 4. | Chief Operating Officer |

SCHEDULE 6

FORM OF "TREATMENT OF INSURANCE MONIES UNDER CASS" NOTICE

THE DATE ON WHICH THIS NOTICE IS ISSUED TO THE BROKER IS THE DATE OF THIS AGREEMENT

Treatment of Insurance Monies under CASS

NOTICE TO THE BROKER IN RELATION TO TREATMENT OF INSURANCE MONIES UNDER CASS

We are authorised by various Insurers to offer you, the Broker, the following relationship between you and the Insurers, where you bind business through the Company on the Insurers' behalf:

1. You may act as the Insurers' agent for the purpose of receiving premiums from your clients, settling refunds and holding claims money prior to onwards transmission to your clients.
2. You may if you are authorised by the FSA to hold client money "co-mingle" monies held as the Insurers' agent and client monies in the same account.
3. Where you co-mingle as outlined in 2 above, monies held by you as the Insurers' agent must be held in a trust account in accordance with the FSA's Client Asset Sourcebook, CASS.
4. Where monies are held in accordance with 3 above, the Insurers' interests will be subordinated to those of your clients.
5. Commissions on business placed through the Company only become due to you when the premium to which your commission relates has been received by you.
6. This letter agreement is conditional on you remaining FSA authorised or having had FSA confirmation that you are subject to an exemption from the requirement for authorisation and in that case is also conditional upon that exemption remaining in force.
7. You acknowledge the rights of the Insurers to request balance summaries of all monies held by you as the Insurers' agent at any point in time, either directly or through the Company, which will be provided to the Insurer(s) within a reasonable timescale.
8. This letter agreement will cease automatically should the Insurers' agreement with us be terminated, or in the event that your terms of business agreement, or equivalent, with the Company is terminated.
9. The terms of this Notice form part of this Agreement and shall remain valid from the date of this Agreement until notice is issued to you by any or all of the Insurers.

SCHEDULE 7

Let Property Insurance Policy

**As held on file by the Company and the Broker. Current wording is available
within the Online System**

IN WITNESS whereof the Parties have executed this Agreement by their authorised representative on the date of the last Party to execute this Agreement.

SIGNED for and on behalf of
UK General Insurance Limited

By



Signature of duly authorised signatory

Karen Beales

Director

Broker Identification

This must be completed by the Broker before signature of this Agreement by the Broker's Director / Company Secretary or authorised signatory.

| | |
|---|--|
| Full [company] name of Broker | |
| Registered Company number of Broker | |
| Registered Office Address of Broker | |
| Please advise all additional trading names which are used by the Broker | |
| FSA Registration Number of Broker | |
| Is the Broker FSA Authorised? | |
| Is the Broker an Appointed | |

| | |
|---|--|
| Representative? | |
| If Yes, please supply the name and address of the Principal firm | |
| Name of Broker's Compliance Officer Manager/ Officer : Email address Telephone number | |

I confirm that the details supplied above are complete and accurate and that I am an authorised signatory of the Broker detailed above and hereby agree to the terms and conditions of this Agreement:

SIGNED for and on behalf of
the Broker

By

.....

Signature of duly authorised signatory

.....

Print Name

.....

Status: Director/Company Secretary

.....

Date of Signature